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# NEWS SUMMARY

## GENERAL

### Gloomy outlook in Beirut

...was growing concern yes... in Beirut that the roots ... new Lebanese crisis are ...ep that an early or quick ...on cannot be expected.

...Hafez al-Assad, Syrian ...ent, was quoted yesterday ...ying that the Christian-...ated Lebanese Army must ...ssolved. He accused the ...and Israel of trying to ...t unrest to cover up what ...led the failure of President ...s peace initiative.

...added that the U.S. and ... were linked with certain ...al groups in Lebanon. ...an peace force troops and ...ese Right-wingers ham... each other in fresh ...g. Tank guns, mortars, ...s and heavy machine guns ...used. Page 10

### ... and Israel open row

...en row broke out between ...ngton and Jerusalem over ...cy issue of Israel's settle... in Arab territories occu... in the 1967 war by the ...s. Mr. Cyrus Vance, U.S. ...ary of State, said the ...nents in Sinai were illegal. ...oshe Dayan, Israeli Foreign ...ter, disagreed with Presi... Carter's views on the settle... policy. Back Page

### Budget live on radio

...Chancellor's budget speech ...pril 11, together with the ...ition reply, will be broad... live on radio by the BBC and ...endent stations. Broadcasts ... Parliament will start ...finally after the Easter ...on April 3. Page 11

### ...nt arrests

...een were arrested and two ...ed when 3,500 demonstrators ...ed with 1,200 police at a ...nal Front meeting in ...n, Lancs. The Front has ...d permission to hold a ... rally in Birmingham a... to-day.

### Blizzard toll six

...death toll in last week's ...sh blizzards rose to six with ...iscovery of the body of an ...y man near his croft in ...nessshire.

### ...men safe

...lvage men, taken off the ...ed Orion oil rig by lifeboat, ...landed safely at St. Peter ...Guernsey.

### ...nb escape

...b placed on a school bus in... fell off and exploded ...essly—and seven children ...e driver escaped.

### ...ting it

...research to try to reduce ...mount of time and money ...on mowing the lawn was ...mended in a report on ...'s amenity grasslands.

### ...fly ...

...egulations which came into ...ion on February 1 limiting ...sale of many popular... ...nal remedies for minor ail... to a prescription-only basis ...suspended for six months ...fect from to-day. Page 11

...man Robin Knox-Johnston ...nged his French rival Eric ...y to a 5,500-mile race for a ...f champagne.

...of 3,098 have been detained ...tain under the Prevention ...rrorism (Temporary Pro...s) Act of 1974 and 1976, ...Merlyn Rees, Home Secre... said.

...e worth nearly £1m. in... for the British black ...t has been found by ...ns in the past week.

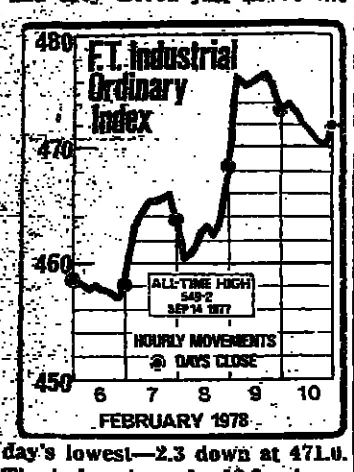
...picking in Israel has been ...30 per cent. because of the ...emand in Europe where ...ed oranges have been ... Israel Citrus Marketing ... said.

... Charles was elected a ... of the Royal Society. He ...lso be offered the freedom ...inburgh.

## BUSINESS

### Equities drift; Gold up $2

● EQUITIES tended to drift lower on lack of active support and they closed just above the




day's lowest—2.3 down at 471.0. The index showed a 12.3 gain on the week, but a 6.5 loss on the account.

● GILTS gained up to ½ in shorts, but longer-dated issues closed unchanged on disappointment that the Government broker was holding the long tap at 26¼. The Government Securities index closed 0.06 up at 75.40.

● STERLING rose 5 points to $1.9355, with its trade-weighted index unchanged at 66.2.

● GOLD rose $2 to $175¼.

● WALL STREET closed 1.82 down at 775.99.

● CHIEF TREASURY Secretary, Mr. Joel Barnett, has warned that it would be foolish to expect too many tax cuts in the ... April budget. Back Page

● BUILDING SOCIETY receipts fell unexpectedly in January, to their lowest point since last August, in a month that is usually the best for saving. The societies took in £388m., £33m. down on December and £200m. down on the record receipts of October, 1977. Page 13

### Norway devalues

● NORWEGIAN crown has been devalued by 8 per cent. against the European joint float currencies. The move was brought about by Norway's big payments deficit. Page 10

● BONUSES offered by two accountancy firms to their employees are being investigated by the Department of Employment for possible breach of the Government's guidelines. Back Page

● COMPUTERISATION of the income tax system came a step nearer with recognition by the Treasury of the need to automate the main PAYE processes. The Inland Revenue Board feels that computerisation is essential to future efficiency. Back Page

● PRICE COMMISSION is to investigate price rises proposed for IPC women's magazines, and Associated Portland Cement Manufacturers' cement products. Page 13

● SALES of vans and trucks in January rose 30 per cent. on last year according to the Society of Motor Manufacturers and Traders. Ford led the market, followed by British Leyland and Bedford. Page 13

● IMF has stepped in to take over the Zaire economy, with the appointment of an International Monetary Fund official to assist the governor of the central bank. Back Page

● U.S. and British Government officials have failed to reach agreement on new levels of scheduled air fares on North Atlantic routes from April 1. The U.K. wants to curb proliferation of cut-price fares, but the U.S. wants to widen the scope of cheap crossings. Back Page

● UTAH DEVELOPMENT, an Australian coal mining company in American control, has earned more than any other Australian company in one year, with a $A158.3m. profit for 1977.

## ...EF PRICE CHANGES YESTERDAY

(...s in pence unless otherwise indicated)

| RISES | | |
|---|---|---|
| ...ury 9% 1980 | £101⅜ | + ⅜ |
| ... (J.) | 225 | + 5 |
| ...r Breweries | 74 | + 6 |
| ...n Ass. Cinemas | 400 | + 15 |
| ...& Newman | 128 | + 5 |
| ... | 180 | + 12 |
| ...ooper | 112 | + 7 |
| ...all's Universal | 159† | + 12 |
| ... | 116 | + 6 |
| ...tson Foods | 139 | + 5 |
| ...Viscosa | 51 | + 5½ |
| ...-Sarco | 262 | + 14 |
| ... Conversion | 248 | + 4 |
| ...son Org. | 634 | + 8 |
| ...plant | 174 | + 6 |
| ...n | 83 | + 5 |
| ...of England Tst. | 46 | + 7½ |
| Assam Frontier | 305 | + 15 |
| Ruo Estates | 160 | + 10 |
| Buffels | 819 | + 19 |
| Cons. Gold Fields | 187 | + 5 |
| De Beers 40% Pfd. | 950 | + 25 |
| F. S. Geduld | £13½ | + 1 |
| Peko-Wallsend | 435 | + 11 |
| **FALLS** | | |
| Ass. Book Publishers | 180 | − 10 |
| Assoc. P. Cement | 233 | − 7 |
| Camellia Invs. | 210 | − 15 |
| Crosby House | 125 | − 4 |
| EMI | 174 | − 5 |
| Eastwood (J. B.) | 89 | − 5 |
| Lucas Inds. | 239 | − 7 |
| Turner Manf. | 111 | − 8 |
| UDT | 37 | − 3 |
| Wilkinson Match | 183 | − 7 |

† Price at suspension

# Papermills seek oil rationing to avoid shutdowns

BY NICK GARNETT AND LYNTON McLAIN

**The paper industry has asked the Government to invoke emergency oil-rationing powers to prevent widespread closure of mills in the face of dwindling fuel supplies, caused by the tanker-drivers' overtime ban.**

At least one of the biggest paper mills has told the British Paper and Board Industry Federation that if oil supplies are again disrupted next week, it will be forced to close.

Mr. John Adams, director-general of the federation has asked Mr. Anthony Wedgwood Benn, the Energy Secretary, to invoke the provisions of the 1976 Energy Act.

This enables Ministers to ration supplies of oil in favour of continuous process industries, including paper-making.

Employer organisations in Scotland have said that within a week some companies might announce plans for laying off staff.

As the potentially disruptive effects of the ban deepened, some Midlands shop stewards warned British Leyland that unless the company stopped using new, including Continental, suppliers to make up deliveries, a complete blockade of supplies to the company's factories would almost certainly be imposed.

The overtime ban, which started at Shell, Esso, BP and Texaco, has spread to other companies, even where drivers are still in negotiations on pay.

Total said about half its nine depots were affected, and Gulf drivers have joined the ban, though the company says the effects are "patchy."

The four companies originally involved say their deliveries have been cut by about 30 per cent.

In what may be an important development Shell improved its pay and productivity offer of about 15 per cent. yesterday.

## Workers meet

Mass meetings of Shell workers at the oil terminals are expected on Monday before a national shop stewards' meeting the following day.

Although the oil companies have been handling talks separately, any development at Shell will be watched closely by management and drivers at the other companies.

There were some indications yesterday that other major companies had been reformulating their offer, and shop stewards at BP, Esso and Texaco are due to meet next week. Shell said its new offer was still within pay guidelines.

British Leyland, which uses about 600,000 gallons of heating oil a week, says its supplies have been cut by a third, and that it has had no alternative but to use Continental sources "if we are to keep our employees in work."

The company said that officials of the Transport and General Workers' Union, to which the drivers belong, had assured the company that it would be sympathetic to this, provided the company did all it could to obtain supplies from its normal sources.

But Mr. David Woodcock, a TGWU Midlands branch secretary representing several hundred drivers, said a union meeting this Sunday was likely to impose a fuel blockade on British Leyland.

Mr. Geoff Parkes, secretary of the committee co-ordinating action by the West Midlands drivers, said British Leyland almost certainly had enough stocks.

"I think they are panicking and trying to build up stocks for the future in anticipation of a possible all-out strike by the drivers," he said.

Heating was turned down at some airports yesterday to conserve heating oil stocks. Passengers and staff complained at Heathrow about temperatures.

# British Steel union close to making pay settlement

BY CHRISTIAN TYLER, LABOUR EDITOR

THE BRITISH Steel Corporation's biggest union indicated yesterday that it was within reach of a wage settlement provided the Corporation dropped some of the labour-shedding strings attached to its offer.

If the Corporation modifies its conditions, it could expect to settle rapidly with unions representing the majority of its 206,000 employees. That would remove another big group of workers from the incomes policy battlefield from which the miners withdrew this week, leaving the power workers as the last obvious theat to a peaceful wage round.

Expecting a loss of £520m. this financial year, the Corporation has been trying to extract the maximum cost-cutting concessions from the unions as the price of going near the limit of the Government's pay guidelines.

Leaders of the Iron and Steel Trades Confederation, which has 67,000 production workers and 30,000 staff at British Steel, said the Corporation must raise its offer from 9.5 per cent on earnings to the full 10 per cent. permitted by the guidelines.

However, at a special executive meeting yesterday, they also rejected the Corporation's demand for a general commitment to the early closure of those high-cost plants reprieved by Lord Beswick, a former Labour Industry Minister.

This, they said, was a matter for the TUC Steel Committee, which already has consented to plant-by-plant redundancy discussions. On Thursday, the committee agreed to negotiate closure of East Moors, Cardiff.

The Corporation will be asked by the confederation at further talks in ten days' time to drop its insistence on a new disputes procedure. This, the Confederation believes, is really aimed at other unions in the industry.

Thirdly, British Steel will be told it should not try to negotiate an extension of the "work measured incentive scheme." A confederation official said the Corporation was trying to secure job cuts from a scheme originally devised mainly to reward higher output from the existing workforce.

Unions representing 27,500 craftsmen have rejected the 9.5 per cent. offer mainly because of the conditions, and negotiators for the small but industrially powerful National Union of Blastfurnacemen took a similar line this week.

**Ray Perman, Scottish Correspondent, writes:** Trade unions and employers have made a joint call to British Steel to safeguard the industry's position in Scotland.

At a meeting yesterday the Scottish TUC and CBI endorsed the three points made by Lord Clydesmuir, chairman of the Scottish Council for Development and Industry, in a letter to Sir Charles Villiers, Steel Corporation chairman.

These were maintenance of the proportion of total steel output and the share of total new investment for Scotland at the traditional level of 15 per cent. of the U.K. figures; and continuation of the trend towards the manufacture of special and high-quality steels.

Ministers challenge Tories over pay Page 11

# U.S. miners seize union HQ

BY STEWART FLEMING NEW YORK, Feb. 10.

HUNDREDS OF angry coal miners stormed the headquarters of the United Mine Workers Union in Washington to-day, blocking attempts by Mr. Arnold Miller, the union's president, to obtain approval of its 39-member bargaining council to a tentative settlement to the 67-day-old U.S. coal strike.

The bargaining council was due to decide whether to put the proposed settlement to a vote of the union's 160,000 members. But by late this morning it appeared that not only had Mr. Miller failed to convene the meeting, but in addition council members had voted unofficially by 33-3 to reject the proposed settlement of the strike—the longest in the union's history.

The day's events represent a serious set-back to recent moves towards a settlement and thus a further threat to the nation's electricity supplies. They also reflect mounting opposition among rank-and-file members to the terms the union's negotiators have secured.

As yet there has been no indication of when the bargaining council will reconvene. Until it does progress towards a settlement is stalled.

There is speculation that to-day's demonstration represents an attempt by Mr. Miller's many enemies in the union to exploit the dissension over the contract negotiations and use it to further weaken and perhaps overthrow Mr. Miller's widely-criticised leadership.

Throughout the strike violence between union and non-union miners has broken out sporadically. But this week the bitter feuds within the union which have festered over the past year have erupted.

Earlier in the week Mr. Miller and his bodyguard were involved in a fist fight with a union leader in Charleston, West Virginia, Mr. Miller's home town and also the home of many of to-day's rank-and-file demonstrators. Mr. Miller is now reported to be carrying a gun.

In an effort to try to re-assert his authority Mr. Miller warned to-day that intimidation and violence could not be tolerated and he appealed to rank-and-file members to stand up against "the violence of a small irresponsible goup."

The threat of anarchy in the union will be a source of mounting anxiety to both the coal industry and the Government.

Although the threat of widespread power dislocations from the continuing strike is not yet imminent, a growing number of electricity users in the Mid-West and Appalachia are beginning to restrict consumption.

Nationally, according to the Federal Energy Department, the average electricity company coal stockpile is about 68 days, but in Ohio the figure is down to 50 days, in West Virginia 60 days and in Tennessee 40 days.

State officials in Ohio and Indiana have declared energy emergencies.

# Gas price frozen but power and coal will rise

By Kevin Done and John Lloyd

GAS PRICES are to be frozen until April next year, but electricity is expected to become eight per cent. dearer by the summer, partly as a result of the miners' pay deal. The National Coal Board will raise coal prices by 10 per cent. soon.

British Gas and the Price Commission announced yesterday that gas tariffs would not be increased before April 1, 1979, *provided that there was* no major increase in the rate of inflation.

If prices are held, gas tariffs will not have risen for two years. However, the Corporation may raise servicing charges — which are unrelated to the gas tariff—later this year. A separate notification will have to be made to the Commission.

Mr. Charles Williams, chairman of the Price Commission, said yesterday that this was the first time a major industry had pledged that prices would not rise for 12 months.

The new accord between the Price Commission and British Gas ends a confusing 12 months. The Government asked the Corporation to put up its prices to enable it to pay back an additional £100m. to help to reduce public sector borrowing in line with the IMF loan agreement.

## Excess profit

These increases — implemented last April — went against the provisions of the Price Code and required special authorisation from Mr. Anthony Wedgwood Benn, the Energy Secretary.

In addition, the Corporation exceeded by £36m. its then profit margin reference level in the year to the end of March, 1977.

Strictly speaking, prices could not be raised until this *excess profit was eliminated.* The Benn order of consent expires on March 31, and there has been some uncertainty between the Price Commission and British Gas over what should happen after this.

The latest agreement means that British Gas expects to have eliminated its excess profit by this spring. Both sides accept that prices should not rise again until at least April 1, 1979.

British Gas profits in the current financial year are expected to be at least £100m. and cold weather could make them substantially higher —

Continued on Back Page

# Vance hints at arms aid for Somalia

BY DAVID BELL WASHINGTON, Feb. 10

THE WEST would airlift arms to Somalia if Ethiopian forces—or the Russian and Cuban "advisers" assisting them—crossed the border into Somalia, Mr. Cyrus Vance, the U.S. Secretary of State, hinted to-day.

The U.S. was increasingly concerned about the Ogaden conflict, but had received an "assurance" from the Soviet Union that no Ethiopian troops would invade Somalia, he said.

Latest American intelligence estimates put the number of Soviet advisers at between 800 and 1,000 and the number of Cuban troops at 3,000 "with further Cuban forces on the way."

The U.S. was in touch with other Western powers. "If there were a crossing of the border, that would present a new and different situation which we would have to consider at the time." Mr. Vance did not deny that Western governments had already considered how they would respond if the "internationally recognised" border should be crossed. There have been reports here that a decision has already been taken, in principle, to supply arms should the border be crossed.

The U.S. believed that the Ogaden conflict could best be resolved under the auspices of the Organisation of African Unity. The Somalis should withdraw forces from the region.

## Denial

Somalia has consistently denied that its troops are fighting in the Ogaden, but it has not denied that it is supporting liberation forces fighting there.

The U.S. believed that Cuban forces had been in action and Cuban pilots had been on flying missions for the Ethiopians. Some of the Cuban forces had been brought from Angola and others were being transported directly from Cuba.

The growing Soviet and Cuban involvement in Ethiopia could not but affect U.S. relations with both countries. The U.S. had *already begun to re-evaluate the* U.S.-Soviet conference on the demilitarisation of the Indian Ocean because Soviet actions differed from their stated aims.

● Somalia's ambassador to Peking to-day named a Soviet general as commander of Cuban and Russian detachments aiding Ethiopia against Somali forces in the Horn of Africa war and said they had taken exclusive combat responsibility.

The commander of these foreign forces was General Grigory Grigoryevich Barisov, an ex-military expert in Somalia, Ambassador Mohamed Ismail Kahin said in a statement issued in Peking.

The Russians were manning tanks and flying on bombing missions while the Cubans were put in charge of artillery and engineering services as well as being used as airborne troops, he added.

Somalia has admitted that Ethiopia's Russian-backed forces have made gains in their recent counter-offensive in the Ogaden.

In Somalia preparations went ahead to-day for mass mobilisation and the Government said it might also use regular troops to repel the Ethiopian advance.

Diplomats in Addis Ababa, quoted by Reuter in Nairobi, said heavy air and artillery strikes have pushed the Somali forces some six miles back from main positions on the parched Ogaden battlefront—territory long disputed by neighbouring African States.

But Ethiopian helicopters dropped leaflets urging surrender and the diplomats said this suggested the main Ethiopian thrust was still to come.

**Hugh O'Shaughnessy reports from Havana:** Cuba makes no official mention of activity by its military forces in Ethiopia and officials will not admit that Cuban forces are fighting with the Ethiopians.

But the impression given in Government circles is that any war in the Horn will not spill on to Somali territory.

The Cuban Government takes every opportunity to underline the "defensive" nature of the Mengistu Government's offensive against the Somali invasion, and continues to underline the role of the Somalis as the aggressors.

Emphasis is also laid on Ethiopian efforts to get the Somalis to abandon Ethiopian territory.

The Cuban media acknowledges that Soviet aid is going to the Mengistu Government — purely for the purposes of self-defence. Nevertheless, the Government here is obviously watching every move closely.

● More than 7,000 refugees have fled to the tiny Red Sea republic of Djibouti to escape fighting in *the Ogaden region of neighbouring Ethiopia.*

A former French colony which gained independence last June, Djibouti has built two special camps for them at Ali Sabieh and Dikhil near the border.

The United Nations and other international groups are helping to feed the refugees.

## £ in New York

| — | February 10 | Previous |
|---|---|---|
| Spot | $1.9370-9380 | $1.9320-9330 |
| 1 month | 0.05-0.02 pm | 0.03-0.05 pm |
| 3 months | 0.05 dis par | 0.04-0.08 dis |
| 12 months | 0.80-0.40 dis | 0.85-0.45 dis |



## CONTENTS OF TO-DAY'S ISSUE



For latest Share Index 'phone 01-246 8026

# The week in London and New York

## Gilts in the limelight

ONLOOKER

IT HAS been an erratic week for the gilt market with the Government Securities Index fluctuating over a span of 1.35 points. Ahead of the banking figures and the current round of pay talks in the public sector gilts started the week on a very nervous note and prices fell by up to 1½ points in the longer end of the market. Some recovery was seen in early dealings on Tuesday but this was stopped in its track following the grim January banking figures. The market had been counting on a small fall in the banking sector's eligible liabilities so the 1.9 per cent. jump took everyone by surprise. Early gains of up to a £1 were quickly wiped out and falls in later after hours dealings were noticeable.

Faced with the threat of a sharp jump in MLR prices continued to fall. But Mr. Healey's cautious remarks about Budget tax concessions and the announcement that the miners leaders had agreed to settle within the Government's pay guidelines brought about a swift change of heart reversing the earlier falls.

Such was the recovery that on Thursday the Government Broker activated the long tap to the delight of the market—the Government Securities index recorded its biggest rise for four months. By the end of the week, prices were being held and the index rose 0.57 over the five trading days.

### Cooled tempers

Just how much Wilkinson Match's revised terms for the take-over of True Temper from Allegheny Ludlum Industries owe to City resistance is probably now academic. The important thing is that the Wilkinson management and advisers have managed to wring a much better deal out of the Americans to the benefit of their shareholders.

Over £6m. has been lopped off the value of the original terms on the grounds that, on closer examination by a team of accountants True Temper was simply not worth the money. The new deal also means that voting control of Wilkinson Match will not now pass to North America, thus conveniently removing the overriding objection to the first proposals.

It could reasonably be argued that the ~~44.4~~ per cent. Allegheny will hold in Wilkinson if this latest proposal is approved still amounts to "effective control." But there does seem to be some security in the undertaking by Allegheny that it will not go beyond a 45 per cent. stake without making a general offer, which would have to be approved by holders of at least 50 per cent. of the shares not owned by Allegheny That puts the institutions, which collectively are reckoned to hold over 30 per cent. of the total, in a very powerful position.

The next event will be the issue of the formal documents relating to the deal, probably in about two weeks' time, followed by the crucial meetings of shareholders a further fortnight after that. Again, the institutions will have the whip hand. Allegheny will not be voting its existing holdings at the meetings, so the institutions effectively control 46-47 per cent. of the votes outstanding.

Wilkinson Match shares registered disappointment yesterday that a full bid had not been forthcoming, as market gossip had suggested, and the shares fell back 7p to 183p—a long way off the 260p that Allegheny paid to Swedish Match for its 29 per cent. stake.

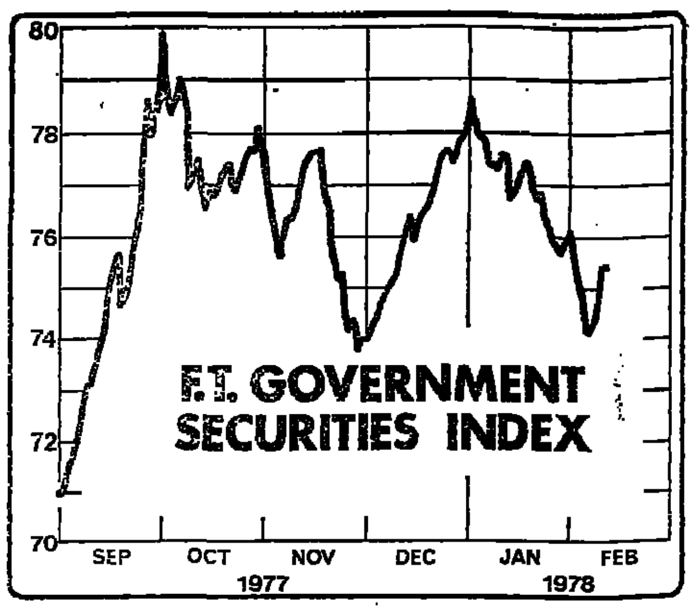
### Ferranti quote

Confirmation this week that Ferranti is likely to go ahead with a Stock Exchange listing, enabling the National Enterprise Board to liquidate part of its stake, brings towards its close a successful chapter in the NEB's history. The bailing out of Ferranti in 1975 and its subsequent recovery underlines the possibilities for the Government to lend temporary support to industry rather than taking on a stream of lame ducks.

Ferranti's problems developed from the continual losses of its power transformer division which took the group to the point of financial crisis. Interest charges were more than wiping out the meagre trading profits left after the transformer losses.

The NEB solved Ferranti's problems by injecting £15m. cash for equity and loans and underwriting the transformer operation. Under the terms of the 1975 agreement the Government would take "appropriate steps" if the transformer business became a hurdle to getting a quote. However that division has been cut back by two-thirds and is now operating in the black.

A quotation, followed up by the sale of half of the NEB's non-voting shares, looks almost certain. Effectively shareholders in Ferranti will be offered the NEB shares by way of rights. The terms amount to one-for-three at half the market price currently 260p in dealings under 163i. At to-day's prices that means an offer price of 130p, and an ex-rights price of under 230p. The market is going for £8½m. pre-tax for Ferranti or earnings per share of 40p. On that basis the p/e would be under 6.




| THE TOP PERFORMING SECTORS IN FOUR WEEKS FROM JAN. 12 | % Change |
|---|---|
| Tobaccos | +3.7 |
| Wines and Spirits | +3.4 |
| Metals and Metal Forming | +1.6 |
| Chemicals | +0.8 |
| Textiles | −0.7 |
| Office Equipment | −0.8 |
| **THE WORST PERFORMERS** | |
| All-Share Index | −3.2 |
| Household Goods | −6.7 |
| Packaging and Paper | −7.2 |
| Insurance (Composite) | −7.5 |
| Merchant Banks | −7.7 |
| Banks | −8.1 |
| Hire Purchase | −9.7 |

### Imps static

The U.K. cigarette industry is a little short of breath these days and Imperial Group, on Tuesday, revealed a 15 per cent. decline in tobacco earnings as group pre-tax profits virtually stood still at £129m.

Industry sales of cigarettes in the U.K. have fallen by a tenth last year while the traditional market dominance of the smaller cigarette has been eroded as changes in the tobacco tax structure (to bring the U.K. into line with EEC regulations) have made king-size cigarettes much more competitive.

Against this background Imps, which had been left behind in the king-size market, has had to spend heavily to catch-up—it now claims to have 40 per cent. of the U.K. king-size market, (which in turn accounts for 40 per cent. of the overall cigarette market).

However the group, whose U.K. market share has slipped 5 points to 61½ per cent., now faces a fresh threat from BAT Industries which is poised to make its first major assault on the U.K. market—with a nation-wide launch of two versions of its State Express 555 cigarettes plus another American brand expected by the Spring.

The BAT's launch is bound to exacerbate a price war which has been raging since the industry first realised the implications of the changes in the traditional U.K. tobacco tax structure.

### THF's bumper year

Trust House Forte was the best performing share of the week among those companies with a market capitalisation of over £20m., according to dataStream. THF's shares rose by 12 per cent.

The share performance was hardly surprising given that THF turned out silver figures for jubilee year. For the year ending 31 October THF increased profits by three fifths to £38m., against analysts' expectations of £35m.

What contributed to the glittering performance was the acquisition of two hotel groups during that financial year: the rump of J. Lyons' hotels, dubbed "the deal of a lifetime," and Knott Hotels. Together they contributed £8.3m. to the latest figures. before associated interest costs of perhaps £2m., as well as throwing in £6m. of tax allowances.

And in a year of good deals for THF the sale of the Terry chocolate business helped push liquid funds up by over two-thirds to £44m.

Although analysts are not expecting the same sort of gain in the current year, higher consumer spending is expected to provide a good earnings boost.

## The energy gap

BY JOHN WYLES

THERE IS, on the surface, a not so tenuous link between snow and energy. The fact that vast quantities of the former have choked the north-east U.S. in a ghostly blanket may well have helped focus the attention of investors who were not too busy digging out on what Congress is doing to President Carter's energy proposals.

There is a school of opinion which argues that a new dawn will break over the Stock Market when and if Congress produces an Energy Act—almost any energy Act will do. The dollar, it is said, will be stabilised abroad, industry will be spared further uncertainty and a revitalised Dow Jones Industrial Average will make the New York Stock Exchange everybody's darling.

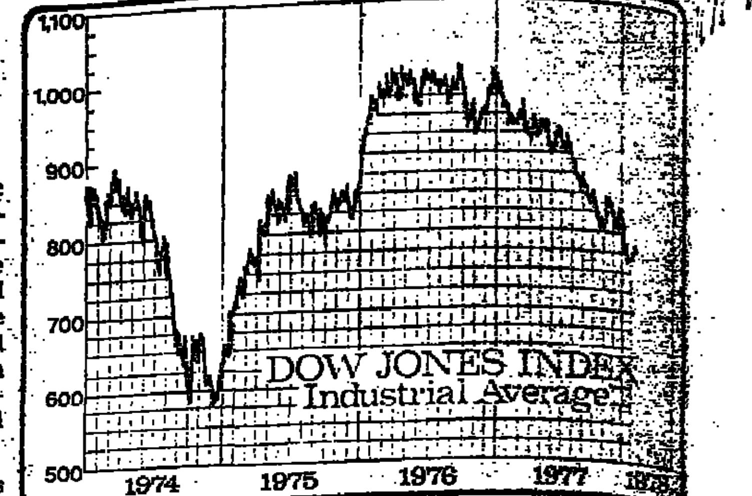
Like so many scenarios depicting a Stock Market recovery, this may be more than somewhat optimistic. Suppose, for example, that the energy legislation promised a substantial boost in U.S. living costs at a time when inflation may be briskly motoring along at 7 per cent. Nevertheless, the fate of the energy legislation is important and the House Speaker "Tip" O'Neill's well-publicised expectation on Tuesday that a break could be imminent in the Congressional deadlock over natural gas price controls, sent a genuine thrill through the Stock Market which added 10.23 points to the Industrial Average in an abbreviated session with light trading.

By all recent standards, this is a hefty gain which had sufficient momentum to move the market upwards on Wednesday as well. It was not, however, a rally and indications on Thursday that no agreed policy on natural gas would now emerge before Feb. 23 brought a profit-taking exodus from the market and a consequent decline. The certainty that any energy package will be closely scrutinised for its impact on the cost of living was increased this morning by far higher than expected price index figures

Against this backcloth, investors' attention tends to focus closely on the performance of individual companies whose share prices are thus especially sensitive to the profit and loss figures which have been dominating the financial pages for the last three weeks. Boeing Corporation has become a great favourite in the last few days after its announcement on Monday of an increased quarterly dividend on the back of a 49 per cent. rise in fourth quarter earnings. The stock was heavily traded thereafter and was the volume leader in yesterday's sinking market when it closed three dollars up on its level of last Friday night.

Texas Instruments, for long the Stock Markets Raquel Welsh, lost some of its glamour this week after analysts had pored over its year-end and fourth quarter results and concluded that the company's profits growth this year will not be as spectacular as investors have come to expect.

The company's stock dropped $4¾ last Friday when its figures were published and after subsequent analysts' assessments had been well publicised Texas Instruments dropped a further $2⅝ yesterday to close at the lowest price for the past 52 weeks at $87¼.




| CLOSING PRICES | |
|---|---|
| Monday | 768.62 |
| Tuesday | 778.85 |
| Wednesday | 782.66 |
| Thursday | 777.81 |
| Friday | 775.99 |

## Mining: The cold winds blow

BY KENNETH MARSTON, MINING EDITOR

IT IS a severe winter for the world's producers of base metals, particularly as far as nickel and copper are concerned. The respective metal prices have weakened to levels at which many mines are losing money and production cuts, if not close-downs, are a stark reality.

Fourth-quarter results for 1977 issued this week by Canada's **Inco**, the world's biggest producer of nickel, underline just why the company has been cutting production and is now having to reduce its Ontario workforce by 1,800. Inco's earnings for the quarter dropped to $US4.6m. (£2.37m.) from $60.9m. in the same period of 1976.

The latest figures make a 1977 total of $99.9m. compared with $196.5m. in the previous year. The 1977 dividend total has been reduced to $1.25 from $1.60 and a first quarterly payment of 20 cents has been declared for the current year which suggests that an even sharper reduction in the 1978 total is on the cards.

Mr. Edwin Carter, Inco's chairman, has told a rather unhappy Ontario Legislature committee that his company would face bankruptcy if it were forced to maintain production in order to save the jobs. The committee has recommended a 60-day moratorium before the lay-offs start and is to ask the Ontario and Ottawa governments for interest-free loans to Inco in order to maintain full operations in Canada.

Meanwhile the Quebec Government is lending money to **Campbell Chibougamau** in order to help the copper producer develop new ore reserves and thus forestall the closure of its northern Quebec operations. Away in Tasmania the **Consolidated Gold Fields** group's **Mount Lyell** copper mine has made a further operating loss of $A1.04m. (£0.6m.) in the past quarter and is being kept going with a Government interest-free loan.

While preserving jobs, such measures are not going to help the current world over-supply position in metals and the answer appears to be in some form of Government stockpiling. It is hoped that the U.S. might decide on such action, it being pointed out that an increased stockpile of base-metals should prove to be a good long-term investment, or price stabilising factor, in view of the dearth of new mining operations and the prospect of eventual shortages developing until new production comes on stream.

Two of the world's lowest-cost copper mines, the **Rio Tinto-Zinc** group's big **Bougainville** copper-gold operation in Papua New Guinea and the South African **Palabora** copper property have no need of cut-backs at present, although their profit margins are becoming more slender.

This week Bougainville has reported a fall in 1977 earnings to Kina28.53m. (£20.17m.) from K41.37m. in 1976, the decline having been cushioned by higher income from the important gold output which exceeds that of South African gold mines such as **Blyvoor, St. Helena** and **Kloof.** The dividend has been reduced to 8 toea (5.6p) from 10 toea.

In the current year Bougainville should receive more for its gold than the 1977 average of $148 per ounce. Although the copper price is running at below last year's average of 59.3 cents per pound, the mine reports that Japanese buyers have returned to their full level of contractual deliveries and have indicated that they will also take some tonnages in 1978 which had been deferred in previous years.

Palabora's 1977 profit has fallen to R18m. (£10.7m.) from R23.9m. and a final quarterly dividend of 15 cents (8.9p) makes a year's total of 45 cents against 70 cents for 1976. Unless there is a pick-up in copper prices—some observers feel that there could be a temporary revival in the next few months—Palabora will do less well in the current year, but at least it can still make money and production could be higher this year as a result of the completed expansion programme.

The producer price of zinc, on which the leading mines base their contracts has been cut this week by $50 to $550 per tonne. This has coincided with the news that development of the huge Gamsberg zinc project in the north-west Cape has been deferred by the Anglo American Corporation and Newmont partners pending a revival of demand.

In view of the fact that it would take some 2½ to 3 years to bring the find to production, the partners appear to be taking a very bearish view of zinc market prospects.

### In the sun

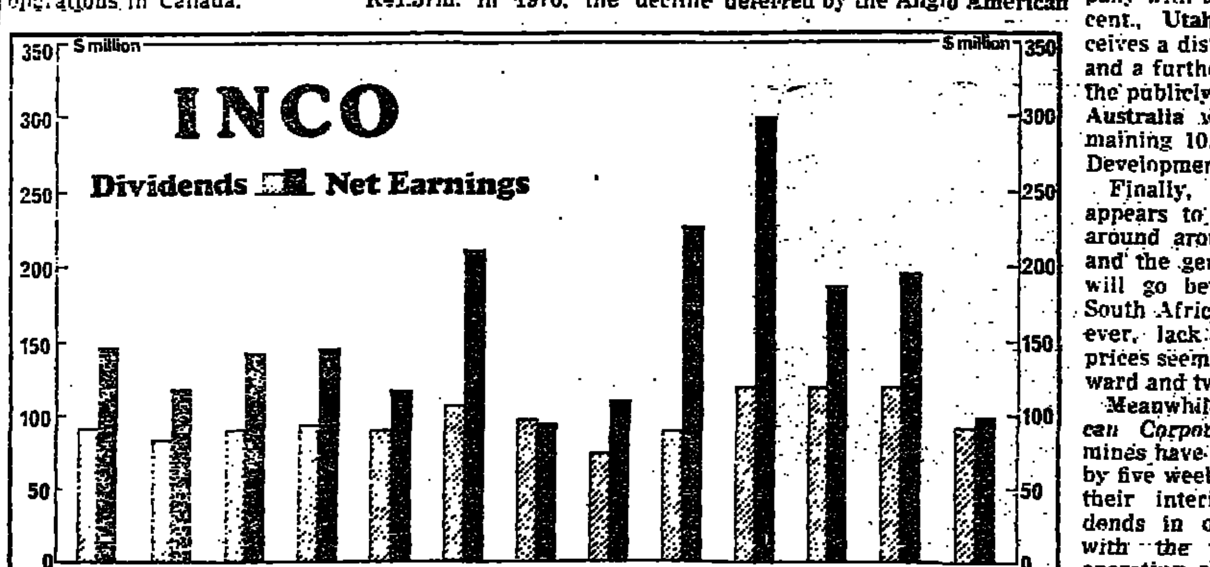
On a more cheerful note, the producers of aluminium are still enjoying a good market. Following the news of Alcoa's per cent. jump in net profits to $A65m. (£38m.) the RTZ group's Australian Comalco has reported a surge in 1977 earnings to $A40.24m. (£23.65m.) from $A26.16m. in the previous year and has lifted its dividend total to 12.5 cents (7.3p) from 8 cents.

Energy producers are also well-placed and that phenomenon of recent times which has become Australia's biggest profit-maker, Utah Development has made record earnings of $A158.3m. (£93m.) in 1977 compared with $A136.5m. in the previous year. The large advance largely reflects a reduction of the Australian coal export levy in August and despite a fall in sales revenue.

The company's funds available for dividends were higher than forecast owing to the lower cash requirement for the Norwich Park coal project, construction of which was delayed by a dispute with the Seamen's Union of Australia. The parent company with a holding of 89.2 per cent., **Utah International**, receives a distribution of $A126m. and a further $A15.26m. goes to the publicly-quoted **Utah Mining Australia** which holds the remaining 10.8 per cent. of Utah Development.

Finally, the price of gold appears to be consolidating around around $175 per ounce and the general view is that it will go better in due course. South African gold shares, however, lack interest and their prices seem to take one step forward and two steps back.

Meanwhile, the Anglo American Corporation group's gold mines have decided to put back by five weeks the declaration of their interim and final dividends in order to link them with the announcements of operating results for the relevant periods.




## MARKET HIGHLIGHTS OF THE WEEK

| | Price Y'day | Change on Week | 1977/8 High | 1977/8 Low | |
|---|---|---|---|---|---|
| Ind. Ord. Index | 471.0 | +12.3 | 549.2 | 357.6 | Wage uncertainties recede |
| Gold Mines Index | 146.0 | − 5.6 | 174.5 | 95.1 | Fall in bullion price |
| Treasury 13¼% 1997 | 111¼ | + 1⅛ | 122¼ | 87⅞ | "Tap" activation spurs rally |
| AGB Research | 88 | + 5 | 89 | 32 | Dividend-boosting rights issue |
| Assoc. Book Pub. | 180 | +14 | 195 | 82 | Demand in thin market |
| Brown (John) | 297 | +13 | 297 | 98 | Renewed investment demand |
| Camellia Invs. | 210 | +13 | 245 | 95 | Demand in a thin market |
| Dowty | 175 | +19 | 175 | 93 | Good interim report |
| Fitch Lovell | 67 | + 7 | 72 | 47½ | Speculative bid hopes |
| ICL | 256 | +16 | 270 | 148 | Speculative demand |
| ICI | 354 | +15 | 446 | 325 | General market trend |
| Marks & Spencer | 145 | + 8 | 173 | 96 | Encouraging Dec. retail sales |
| Marshall's Universal | 158† | +20 | 162 | 89 | Bid speculation |
| Mining Supplies | 59 | − 6 | 92 | 28 | Half-yearly profits setback |
| Morgan Edwards | 23 | − 7 | 45 | 23 | First-half loss |
| Reed International | 102 | −21 | 233 | 100 | Press comment increases doubts |
| Richards & Wallington | 83 | + 7 | 84 | 37 | Speculative bid hopes |
| Ruo Estates | 160 | +30 | 165 | 50 | Record preliminary profits |
| Rustenburg Plat. | 83 | − 7 | 99 | 60 | Profit-taking |
| Trust Houses Forte | 198 | +24 | 201 | 112 | Better-than-expected results |

† Price at suspension.

## U.K. INDICES

| Average week to | Feb. 10 | Feb. 3 | Jan. 27 |
|---|---|---|---|
| **FINANCIAL TIMES** | | | |
| Govt. Secs. | 74.65 | 75.61 | 76.60 |
| Fixed interest | 77.90 | 79.14 | 80.59 |
| Indust. Ord. | 466.9 | 465.2 | 481.3 |
| Gold Mines | 147.5 | 152.8 | 156.4 |
| Dealings mkd. | 5,861 | 6,028 | 5,787 |
| **FT ACTUARIES** | | | |
| Capital Gds. | 202.45 | 203.12 | 210.95 |
| Consumer (Durable) | 186.07 | 186.04 | 192.37 |
| Cons. (Non-Durable) | 191.90 | 191.34 | 199.19 |
| Ind. Group | 199.13 | 199.06 | 206.48 |
| 500-Share | 219.46 | 219.18 | 226.98 |
| Financial Gp. | 161.75 | 162.94 | 172.36 |
| All-Share | 202.77 | 203.09 | 211.08 |
| Red. Debs. | 61.79 | 62.63 | 63.24 |

## TV/Radio

### BBC 1

† Indicates programme in black and white

9.00 a.m. Teddy Edward. 9.10 Canoe. 9.30 Multi-Coloured Swap Shop. 12.18 p.m. Weather.
12.20 Grandstand: Football Focus (12.25); Snooker (12.55, 1.40, 2.10) Benson and Hedges Masters; Racing from Newbury (1.20 1.55, 2.30, 3.05); Athletics (2.50, 3.30, 4.30) Great Britain v. West Germany; Rugby League (3.50) First Round of the Challenge Cup: York v. Warrington; 4.40 Final Score including classified football, rugby and racing results.
5.10 The New Adventures of Batman.
5.35 News.
5.45 Sport/Regional News.
5.50 Jim'll Fix It.
6.25 Dr. Who.
6.50 Saturday Night at the Movies: "Away All Boats," starring Jeff Chandler.
8.40 Mike Yarwood in Persons.
9.10 Starsky and Hutch.
10.00 News.
10.10 Match of the Day.
11.10 Parkinson.

All Regions as BBC 1 except at the following times:

Wales—8.45 a.m. Canoe. 9.05-9.30 Teleiffant. 12.10 a.m. News and Weather for Wales.

Scotland—4.55-5.10 and 5.45-5.50 p.m. Scoreboard. 10.10 Sportscene. 10.40-11.10 Songs of Scotland. 12.10 a.m. News and Weather for Scotland.

Northern Ireland—5.00-5.10 p.m. Scoreboard. 5.45-5.50 Northern Ireland News. 12.10 a.m. News and Weather for Northern Ireland.

### BBC 2

7.40-8.55 a.m. and 11.00-1.05 p.m. Open University.
2.50 p.m. Saturday Cinema: "Green Mansions," starring Audrey Hepburn and Anthony Perkins.
4.30 Play Away.
5.00 Horizon.
6.00 Open Door.
6.30 Sight and Sound in Concert featuring Gilbert O'Sullivan and Chris de Burgh (simultaneous with Radio 1 stereo).
7.30 News and Sport.
7.40 Network.
8.10 The Book Programme.
8.40 "Was It Before Hindsight?"
10.20 M*A*S*H.
10.45 News on 2.
10.50 Film International: "Metamorphosis."
†12.15 a.m. Mid-night Movie: "Jimmy the Gent."

### LONDON

8.30 a.m. Fun Food Factory. 8.55 Junior Police 5. 9.00 Sesame Street. 10.00 Our Show. †11.00 Saturday Cinema: "Barnacle Bill," starring Alec Guinness.
12.30 p.m. World of Sport: 12.35 On the Ball; 1.00 International Sports Special (1) World Two-Man Bobsleigh Championships from Lake Placid, New York; 1.10 News from ITN; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Wolverhampton; 1.45, 2.15 and 2.45 from Catterick; 3.10 International Sports Special (2) Moto Cross—Shellsport National Trophy from Hadleigh, Essex; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 News from ITN.
5.15 Happy Days.
5.45 Logan's Run.
6.45 Celebrity Squares.
7.30 Enemy at the Door.
8.30 Sale of the Century.
9.00 Within these Walls.
10.00 News.
10.15 The South Bank Show with Melvyn Bragg and Dennis Potter.
11.15 The Adult Movie: "Devils of Darkness," starring William Sylvester and Diana Decker.
12.50 a.m. Close: Mahdav Sharma reads some sayings from the Tao Te Ching.

All IBA Regions as London except at the following times:—

### ANGLIA

9.00 a.m. Animal Alphabet Parade. 9.10 Cartoon Time. 9.30 Tiswas. 10.20 Funky Phantom. 10.45 Tiswas. 11.25 Valley of the Dinosaurs. 11.55 Tiswas. 5.15 p.m. Celebrity Squares. 6.00 Mind Your Language. 6.30 Maggie and Her. 7.00 Sale of the Century. 8.30 TV Movie: "I Heard the Owl Call My Name." starring Tom Courtenay. 11.15 Within These Walls. 12.15 a.m. At the End of the Day.

### ATV

9.05 a.m. The Rolf Harris Show. 9.30 Tiswas including Dynomutt the Dog Wonder and the Lone Ranger. 5.15 p.m. Six Million Dollar Man. 6.15 Havoc. 9.00 The Streets of San Francisco. 11.15 The Saturday Suspense Movie: "Betrayal."

### BORDER

9.30 a.m. T.I.S.W.A.S. including Dynomutt the Dog Wonder and Woobinda Animal Doctor. 5.15 p.m. Logan's Run. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 The Six Million Dollar Man. 11.15 Second City Revue. 11.45 Tandarra.

### CHANNEL

12.18 a.m. Puffin's Pla(i)ce. 5.15 Logan's Run. 6.15 Happy Days. 9.00 Police Woman. 11.15 Appointment with Fear: "Twins Of Evil."

### GRAMPIAN

9.00 a.m. Scene on Saturday, including Birthday Greetings and Dynomutt—The Dog Wonder. 9.25 Skippy. 9.50 The Woody Woodpecker Show. 10.15 Woobinda. 10.45 Cartoon Time. 11.00 The Lost Islands. 11.30 The Secret Lives of Waldo Kitty. 12.00 Captain Scarlet and the Mysterons. 5.15 p.m. Logan's Run, followed by area weather forecast. Highland League and shinty results. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 The Six Million Dollar Man. 11.15 Reflections. 11.20 The Frankie Vaughan Show.

### GRANADA

9.30 a.m. Tiswas, including 10.20 Dynomutt, the Dog Wonder. 10.47 Tiswas. 11.25 Solo One. 11.55 Tiswas. 5.15 p.m. Logan's Run. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 Best Sellers: "The Virgin and the Gypsy." 11.15 Second City Revue. 11.45 House of Horrors.: "Home for the Holidays."

### HTV

9.05 a.m. Master Golf. 9.30 Tiswas. 10.15 Batman. 10.45 Tiswas (continued). 11.25 Beachcombers. 11.55 Tiswas (continued). 5.45 p.m. Celebrity Squares. 6.30 Logan's Run 9.00 Streets of San Francisco. 11.15 Moynihan.

HTV Cymru/Wales—As HTV General Service except: 5.45 p.m. Cartoontime. 6.00-6.30 Sion a Sian. 11.15-12.10 a.m. Just Friends.

### SCOTTISH

9.00 a.m. Horses in Our Blood. 9.30 Tiswas (including Winning with Wilkie and Batman). 5.15 p.m. Logan's Run. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 Feature Film: "The Night of the Following Day." starring Marlon Brando. 11.15 Late Call. 11.20 Danger in Paradise.

### SOUTHERN

8.50 a.m. Week-end, followed by Regional Weather Forecast. 10.00 Our Show, including Tarzan at 11.00 and Happy Days at 11.35. 12.20 p.m. Week-end. 5.15 Celebrity Squares. 6.00 Six Million Dollar Man. 7.00 Sale of the Century. 8.30 "Crossfire," starring James Farentino. 11.15 Within these Walls. 12.15 a.m. Southern News.

### TYNE TEES

9.05 a.m. Survival. 9.30 Adventure Time: "Flame of Araby," starring Jeff Chandler and Maureen O'Hara. 11.00 Play Soccer Jack Charlton's Way. 11.30 Space 1999. 5.15 p.m. Logan's Run. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 The Six Million Dollar Man. 11.15 The Practice. 11.45 The Family. 12.40 a.m. Epilogue.

### ULSTER

10.10 a.m. The Herbs. 10.20 Tree Top Tales. 10.35 Beachcombers. 11.00 Survival. 11.30 Sesame Street. 5.00 p.m. Sports Results. 5.15 Logan's Run. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 Best Sellers: "Love Is A Many-Splendored Thing," starring William Holden and Jennifer Jones. 11.15 Manhunter

### WESTWARD

9.00 a.m. The Beatles. 9.25 The Lost Islands. 9.50 Feature Film: "Carry On, Don't Lose Your Head." starring Kenneth Williams, Sidney James and Jim Dale. 11.30 Gus Honeybun's Birthdays. 11.35 Space 1999. 5.15 p.m. Logan's Run. 6.15 Happy Days. 9.00 Police Woman. 11.15 Appointment With Fear: "Twins of Evil." starring Peter Cushing. 12.45 p.m. Faith For Life.

### YORKSHIRE

9.00 a.m. The Rolf Harris Show. †9.25 Custard Pie Parade ("Cops." starring Buster Keaton). 9.40 Saturday Scene Action Adventure—"Tarzan's Greatest Adventure" starring Gordon Scott. 11.00 Funky Phantom. 11.30 Happy Days. 12.00 Calendar Kids. 5.15 p.m. Logan's Run. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 The Six Million Dollar Man. 11.15 The Mary Tyler Moore Show. 11.45 The Outsiders.

### RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 8.06 Ed Stewart with Junior Choice (S). 10.00 Kid Jensen. 12.00 Paul Gambaccini—top pop and soul records. 1.30 Rock on (S). 2.30 Alan Freeman (S). 5.31 Alexis Korner's Blues and Soul Show (S). 6.30 Sight and Sound in Concert (S) featuring Gilbert O'Sullivan and Chris de Burgh (simultaneous with BBC-2 television). 7.30-12.33 a.m.: As Radio 2.

### RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Cricket: First Test—New Zealand v. England (report). 6.05 Tom Edwards with The Early Show (S), including 7.32 Cricket—First Test (close-of-play report) and 8.03 Racing Bulletin. 8.06 As Radio 1. 10.02 Wally Whyton on the Sunnyside of Saturday (S). 12.02 p.m. Two's Best (S). 2.02 The News Huddlines. 1.30-5.55 Sport on 2: Football League Special (1.30, 2.10, 2.50, 3.20, 3.45); Racing from Newbury (1.30, 2.00, 2.35, 3.05); Athletics (1.30, 2.10, 3.15, 4.50) Great Britain v. West Germany; Cricket (1.30, 2.10, 5.30) First Test, New Zealand v. England (report); 5.00 Sports Report: classified football checks at 5.00 and 5.45; rugby round-up 5.25. 6.03 European Pop Jury. 7.02 The Peter Goodwright Show. 7.30 Radio 2 Top Tunes (S). 8.15 Ronnie Aldrich at the piano (S). 8.30 The Massed Bands of HM Royal Marines in the presence of HM The Queen and HRH The Duke of Edinburgh (S). 9.30 Saturday Night with the BBC Radio Orchestra (S). 11.02 Sports Desk. 11.10 Alan Dell with The Saturday Late Show, including 12.00 News and cricket—First Test (further report). 12.31-12.33 a.m. News Summary.

‡ Medium Wave only

### RADIO 3 — 464m, Stereo & VHF

‡7.55 a.m. Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review, including Building a Library (S). 10.15 Stereo Release of music by Brahms (S). 10.45 Robert Mayer Concert: Reznicek, Schubert, Tchaikovsky (S). 12.02 p.m. James Galway presents music on records (S). 12.55 News. 1.00 Heritage. 1.15 Mozart and Bach violin and viola recital (S). 2.15 Man of Action: Sir William Montagu-Pollock chooses records (S). 3.35 Music of the Masters (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum 6.35 The Classical Guitar (S). 7.30 BBC Northern Symphony Orchestra: Mozart, Messiaen, Dvorak (S). 8.45 Scenes from the Operas of Rutland Boughton (S). 10.05 Sounds Interesting (S). 11.25 News. 11.30-11.35 and Tonight's Schubert Song (S).

Radio 3, VHF only—6.00 to 8.00 a.m. Open University.

### RADIO 4 — 434m, 330m, 285m and VHF

6.30 a.m. News. 6.32 Farming Today. 6.50 Yours faithfully. ‡6.55 Weather, programme news (VHF) Regional News. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. ‡7.55 Weather, programme news (VHF) Regional News. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Pick of the week from BBC Radio and Television. ‡10.00 News. 10.02 From our own correspondent (‡ until 10.30). 10.30 Daily Service. 10.45 Between the lines. 11.00 News. 11.02 The week in Westminster. 11.30 Science Now. 12.00 News. 12.02 p.m. James Galway (S) (as Radio 3). ‡12.55 Weather, programme news (VHF) (except London and SE) Regional News. 1.00 News. 1.15 Any Questions? 2.00 Frank Muir Goes Into ... Inventions. 2.30 Thirty-minute Theatre. 3.00 News. 3.05 Does he take Sugar? 3.35 Music of the Masters (S) (as Radio 3). 5.00 Kaleidoscope Encore. 5.30 Week ending ... ‡5.55 Weather, programme news (VHF) (except London and SE) Regional News. 6.00 News. 6.15 Desert Island Discs. 6.50 Stop the week with Robert Robinson 7.30 These you have loved (S). 8.30 Saturday-night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Smash of the day: "All Gas and Gaiters." 10.45 Home and Away. 11.00 Lighten our darkness. 11.15 News.

Open University, VHF only—9.05-10.30 a.m.

### BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic, shopping, sports news. 8.15 The London Gardener. 8.30 David Kremer with Saturday Scene. 10.30 Sportscene. 11.30 The Robbie Vincent Saturday Show. 2.08 p.m. Bob Powel with London Country. 4.30 Marjorie Billow with Close Up. 5.00-Close: As Radio 2.

### London Broadcasting — 261m and 97.3 VHF

6.00 a.m. Morning Music. 7.00 A.M. weekend news, reviews, features, sport. 10.00 Jellybone. 1.00 p.m. Saturday sport. 6.00 After 8—Ian Gilchrist looks at a world of oddities. 6.30 Decision Makers. 7.30 Geet Mala: music, information, interviews in Hindustani. 8.00 Saturday magazine. 9.00 Nightline.

### Capital Radio — 194m and 95.8 VHF

6.00 a.m. Kerry Juby's Breakfast Show (S). 9.00 Peter Young's Countdown (S). 12.00 Kenny Everett (S). 2.00 p.m. Music and sports results — Duncan Johnson's Afternoon Delight (S). 5.00 Joan Shenton's Person to Person (S). 6.00 Greg Edwards' Soul Spectrum (S). 9.00 Nicky Horne's Mummy's Chart (S). 11.00 Mike Allen's American Dream (S). 12.00 Rachel's Boogie (S). 2.00 a.m. Ian Davidson's Night Flight (S).

### CHESS SOLUTIONS

Solution to Position No. 202: 1 RxB, PxR; 2 N-B6 ch. Resigns. If he saves the king by 2 ... K-B1; 3 Q-Q8 ch. R-K1 4 Q-Q8 ch mates.

Solution to Problem No. 202: 1 Q-KR8 (threat 2 R-B1 KxR; 3 R-K1 mate). If 1 ... R-Q8; 2 Q-K8 (threat 3 R-K1), R-K5, Q-R5. If 1 ... R-K3; 2 Q-QB3; 3 Q-N4. If 1 ... R-K1 2 R-K3 and 3 Q-QR1. If 1 ... R ch; 2 QRxR, K-B8; 3 R-K1.

## TV ratings, week ended February 5

| U.K. TOP 20: Viewers (m.) | |
|---|---|
| 1. This Is Your Life (Thames) | 18.30 |
| 2. Coronation St. (Mon.) (Granada) | 17.30 |
| Two's Company (LWE) | 17.30 |
| 4. Mind Your Language (LWE) | 17.13 |
| 5. Miss Jones and Son (Thames) | 17.05 |
| 6. Crossroads (Wed) (ATV) | 16.85 |
| 7. Hazell (Thames) | 16.80 |
| Crossroads (Tue) (ATV) | 16.80 |
| 9. Maggie and Her (LWE) | 16.60 |
| 10. Coronation St. (Wed) (Granada) | 16.45 |
| 11. George and Mildred (Thames) | 16.15 |
| 12. Crossroads (Fri) (ATV) | 16.10 |
| The Professionals (LWE) | 16.10 |
| 14. Dave Allen (ATV) | 16.00 |
| 15. The Moneychangers (ITV) | 15.95 |
| 16. Sale of the Century (Anglia) | 15.90 |
| 17. Rising Damp (Yorkshire) | 15.75 |
| 18. Wilde Alliance (Yorkshire) | 15.70 |
| Crossroads (Thur) (ATV) | 15.70 |
| 20. Starsky and Hutch (BBC) | 15.55 |

Figures compiled by Audit of Great Britain for the Joint Industrial committee for Television Advertising Research (JICTAR).

| U.S. TOP TEN (Neilsen Rating) | |
|---|---|
| 1. Happy Days (comedy) (ABC) | 35.1 |
| 2. Laverne and Shirley (comedy) (ABC) | 32.8 |
| 3. Three's Company (comedy) (ABC) | 32.0 |
| 4. ABC's Silver Anniversary Celebrations | 27.2 |
| 5. Love Boat (comedy) (ABC) | 25.4 |
| 6. Little House on the Prairie (drama) (NBC) | 25.3 |
| 7. Harvey Korman Show (comedy) (ABC) | 24.9 |
| 8. One Day at a Time (comedy) (CBS) | 24.8 |
| 9. Charlie's Angels (drama) (ABC) | 24.8 |
| 10. Barney Miller (comedy) (ABC) | 24.8 |

A Neilsen rating is not a numerical total.

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# Your savings and investments

## Rich man, poor man

LIKE Ozymandias, king of kings, the al Statistical Office challenges the mighty k upon its labours and despair. Certainly are grounds, in the latest product of labours, for despair at the Stock nge. The CSO has come up, after two of feverish activity, with a breakdown assets and liabilities held (as a whole) ividuals in Britain; and that breakdown just how dramatic the private investor's rawal from stocks and shares has been. wenty years ago individuals held, in the gate, almost 25 per cent of their wealth cks and shares. By 1975 the proportion ropped to only 11.5 per cent. Meanwhile oportion of their wealth held in physical —houses, land, consumer durables, es—has increased from just short of 35 r 58 per cent.

ow of course there are lies, damned lies tatistics: and if you consult your own ence you will probably find that it has nothing like this. What the figures, as stated, don't show, is the extent to very rich individuals—of the kind likely a high proportion of their assets into and shares—have become rather less is a result of taxation; or the extent to *rather poor people have become* tly affluent. What they do show is nsofar as people as a whole have been ng capital over the past twenty years, have been building it by buying their . During the 1950s the proportion of occupiers started to rise.

And here we are, with one half of the population owner-occupiers already, and building society chiefs now looking to the day when three-quarters can claim the privileges of that blessed state. If they are right in assuming that there is still a big unsatified demand for home ownership, then there isn't much danger of a long-term slide in house prices. But in the meantime the interesting question arises: what happens on the death of those first generation owners-occupiers?

In all probability their children are owner-occupiers already: they won't want an extra house—not when the present controls on letting make it a proposition which even the professional rentier would sooner not take on. In all probability, then, that house goes on to the market, and those children become possesed of what could be quite a respectable capital sum.

Anyone becoming possessed for the first time of a five-figure sum is not likely to want to leave it in the bank—or even in the building society. Nor is he (or she) likely to want to take it to a stockbroker—not unless it is a substantial five-figure sum. In all probability he is going to take it to another financial intermediary—maybe his bank manager, more likely an insurance broker. Looking at the changes in the pattern of wealth which the CSO's *Personal Sector Balance Sheets** indicate, it's easy to see why the ranks of such financial intermediaries have expanded so rapidly in the past five years. It's easy, too, to see them expanding still more rapidly.

## recious stones


One of the pieces of jewellery Sotheby's is to auction next week.

.BETH TAYLOR'S line in ıds is something out of rdinary. The £2m. gem she has now decided to ıy typify Everyman's idea recious stone: but it cer- isn't representative. Miss apears to have had value from that stone, ı the £1,000 she is charg- rospective buyers for a ıg of it is merely intended ɛr the costs of the opera- But how good an invest- is jewellery of a less agant kind?

short answer is that no- knows: there aren't any ;, so it's difficult to tell. cording to Sotheby's, who lding a big auction of fine in St. Moritz next week- 's considered to be a good ı investment to have an idening appeal. It holds ıe where many currencies. ι. It commands a market ere. And it is eminently le—so that it's always ι favourite investment for tetic races like the Jews e Chinese.

e are no returns to be jewellery, apart from the re of wearing it. But for prepared to buy in the f eventual capital gain, it provide an interesting ative to stocks and shares. re are, of course, disad- es to investing in jewellery. The costs of dealing are high—very much higher than dealing on the Stock Exchange. There are costs involved in simply owning jewels—most notably in insuring and cleaning them. And if you plunge your all into diamond earrings, there is always the risk that pearls will be all the rage by the time you come to sell. But for those minded nevertheless to put a part of their money into this repositary of wealth, here are some guidelines as to how to set about it.

If you are buying purely and simply for capital gain, then buy the stones alone: workmanship adds to the value of a piece, but it also adds to the risks. If, however, it's a half and half affair—half for pleasure, half for profit—then buy through the salerooms. There won't be so much of showrooms' overheads in the price: and there's no point in paying for modern design when you can't be certain that it will stand the test of time. You'd do better to go for the tried and tested classics instead.

If you do want to back your judgment on fashion, do it on a limited scale. You might have discovered a new Faberge, but it won't be much of a consolation to you to have matching sets of his works if the rest of the market doesn't happen to agree at a moment when you need to sell. And finally, do, do take professional advice. This is a business in which expertise is worth having. The bulk of Sotheby's business comes in the £500 to £5,000 range: and they won't have the slightest objection to giving you the benefit of their experience on a piece, however modest it appears in comparison with the headline-making masterpieces of the jeweller's art. Unless you happen to be an expert already, you cannot afford to do without it.

ADRIENNE GLEESON

## unting for a good cause

WE turning into a nation mblers? There may be res on disposable incomes, ıe betting shop and the hall remains a Mecca for ınter who seeks a fortune small outlay. Now a new gambling craze is sweeping the country. It takes the form of an instant lottery, in which tickets are purchased for 25p and the prize money ranges between 50p and £1,000.

Any local authority, registered charity or non-profit-making cultural activity (sports clubs, art galleries, etc.) would be eligible to issue these lottery tickets once it had been sanctioned by the Gaming Board. But since a successful launch involves hefty promotional expenditure and extensive sales outlets, the charities need to rely on the services of lottery management concerns. Ladbrokes have set up a scheme, called Cashcade, to promote and manage lotteries; and it was launched nationwide this week. Another already in the field is Nat Op Lotteries, a subsidiary of the Victoria Sporting Club.

● The lotteries work as follows: Each charity or local authority can issue up to 40,000 25p tickets for sale each week. From the £10,000 total weekly turnover some £4,000 is paid to the cause, and £3,800 is taken up by prize money. The balance goes to the management company, and from that it has to pay all promotional expenditure and commissions. Ladbrokes expects to make a profit of about 2 per cent. net from each scheme, depending on the level of ticket sales. The charity concerned can make up to £200,000 per annum.

Ladbrokes have reached agreements for the management of 100 such contracts while Nat Op has links with 20-25 charities. Sales outlets include pubs, supermarkets, and a number of retail chains. What they get out of it is between 5-8 per cent. in commission, depending on the number of cards sold.

Lottery cards are selling at the moment as fast as they can be printed, and in the first week of the launch in central London Ladbrokes sold 200,000 tickets. The figure is running higher in the second week. Nat Op is selling 80,000 tickets a week. For its first full year in this operation, Ladbrokes expects a turnover approaching £50m.

This is big money. And considering that all the local authorities and charities involved need to do is to sign up with a management group, and there is no risk attached, it is small wonder that the numbers anxious to jump on the band wagon are growing by the minute.

DAVID WRIGHT



THERE ARE two common approaches to retirement. He who takes the first crosses off the days in gleeful anticipation; counts his pension commutation over every night; and scares his nearest and dearest with bold plans for high living. He who takes the second declines to acknowledge the approach of the fateful day *until they come to tell him that* the sherry is set out in the boardroom. Neither is sensible. An end to the days of business decisions may be in sight: but that's no reason to shelve the personal variety in the meantime.

*This is the penultimate part in our series, The Seven Financial Ages of Man. The series is written by Adrienne Gleeson, Eric Short and Helen Whitford.*

## The sixth age shifts


*Into the lean and slipper'd pantaloon*
*With spectacles on nose and pouch on side,*
*His youthful hose well sav'd a world too wide*
*For his shrunk shank;*

AMONG THE most important of such decisions is likely to be the one you have to make on that same commutation: whether or not you are going to accept a lump sum from the pension fund in lieu of part of the income to which you are entitled. Under present legislation you can commute for a lump sum of up to 1½ times your annual salary at retirement, provided that you have been in your pension scheme for at least 20 years.

Now cash in the hand may look very alluring: but you should stop and think about the business very carefully before proceeding. The big question is how great the reduction in your pension will be. If you are going to retire on the two-thirds maximum, then commutation will reduce your pension to about one half of your final salary. Will you be able to manage on that? And more important still, will your wife be able to manage on one half of that, the widow's pension, should you die? If you are retiring on a fixed pension, the answer to both questions is almost certainly no.

However, you may be able to take the cash and reinvest it, on more favourable terms. For your pension is taxed as earned income, and it's the top, higher-taxed proportion that you commute. *You could reinvest it in an* annuity, which will provide you with an income to the end of your days. That income is, for Inland Revenue purposes, considered to be in part a payment of interest on the capital, and in part a repayment of the capital itself; and only the interest proportion incurs tax.

Alternatively you could be adventurous and invest it in a linked bond, cashing in units periodically to supplement your income. But if you do choose that route, sooner or later your capital will run out; and you'll probably spend your days worrying about the possibility in the *meantime*.

How about commuting for a capital sum in order to invest it directly yourself? There won't be any tax advantages attached to such a procedure, and it isn't likely to bring you as much in income as leaving the money where it is. But for those who can afford to live on less we have looked out, below, some investments which combine a respectable income with a prospect of capital gain. They could provide you with something to leave your grandchildren.

LEAVING YOUR wordly weatlh, rather than giving it, is not necessarily a good idea. It's true that there isn't the scope under capital transfer tax that there was under estate duty, for avoiding tax altogether by giving all away during your lifetime. But it's still advisable to give away as much as possible during life, partly to take advantage of the annual exemptions, and partly because the rates of tax charged *on a lifetime transfer* are lower than those that apply after death. They are lower, that is, assuming that you don't die within three years of making the gift. If you do then your beneficiary will be liable for the difference between lifetime and death rates—a risk against which he (or she) would be well advised to insure.

It is possible to avoid CTT altogether by leaving your estate to your spouse, assuming that he or she is domiciled in this country. But if you do, it's possible that the total tax paid when the estate is passed on again will be higher than it would be otherwise. For one thing the £25,000 exemption on gifts from each individual would only be used once—unless you have used up your own during your lifetime. For another, rates of CTT are progressive. So as a general rule it makes more sense to split an estate worth more than £50,000 between husband and wife, even though some tax may be payable when the first of them dies.

Incidentally, wills made back in the days when Estate Duty was in force must—*must*—now be reviewed.

FORGIVE US if we end this week on a slightly macabre note. Next week sees the final instalment of this series, and in it we look at the financial considerations affecting people who have now retired. But we have had such a flood of letters and enquiries that it has become apparent that a *post-mortem* is required.

## Situations for income seekers

LAST WEEK'S gyrations in gilt-edged prices have left the rest of the fixed interest market in a fine old state of disarray. And in consequence the bargains normally available to the earnest seeker after income are conspicuous by their absence. Both loan stocks and corporation stocks, which can normally be relied upon to yield a point or two more than gilts of a comparable date, are looking distinctly expensive. If the gilt-edged market now settles down—having accustomed itself to the idea, on the one hand, that the monetary figures are going to look poor, and on the other to the idea of industrial peace—the chances are that there will be a downward adjustment of prices elsewhere.

So anyone thinking of buying the loan stocks or debentures in the accompanying table might do as well to hold off for a week or so, in the hope of obtaining better prices. There is not likely to be all that much in it, though, for loan stock prices do not move with the same volatility as prices in the gilt-edged market. By the same token, there would not be the capital gains to be made on these investments that there might be on the gilt-edged stocks, if interest rates should fall in the years ahead.

With loan stocks and debentures, unlike gilts, there is always a possibility of early redemption at a profit, a point which Electra Trust underlined this week with the news that it was considering redeeming its small 6 per cent. debenture *1984-89*. At first sight that looked a curious move, for Electra would undoubtedly have to pay more if it wanted to raise replacement borrowings But Electra's trust deed is somewhat restrictive: and the directors reckoned it might be worth while taking out debenture holders at a handsome profit to be rid of it.

We are not likely to see anyone else undertaking such a move unless they can be certain of replacing their gearing with cheaper money; and with even investment trusts likely to have to pay upwards of 11 per cent. for ten year money at the moment, those days have yet to come. So any venture into loan stocks and debentures should be for the sake of income alone—except in the case of the rare special situations. British Leyland's stocks, still yielding well over the competition, are an example. The risks are obvious enough: but the rewards on an improvement in confidence should be commensurately great.

**HIGH YIELDING FIXED INTEREST STOCKS**

| Stock | Price £ | Running Yield % |
|---|---|---|
| Exchequer 10½% 1992 | 92¾ | 11.33 |
| British Leyland Unsecured Loan Stock 1987-92 | 49 | 15.3 |
| GKN Guaranteed Debenture Stock 1990-95 | 91 | 11.6 |
| Imperial Group Unsecured Loan Stock 1990-95 | 89 | 11.5 |
| Metal Box Unsecured Loan Stock 1992-97 | 88 | 11.8 |
| Treasury 10% 1992 | 90½xd | 11.03 |

# Finance and the family

# Joint house mortgage

BY OUR LEGAL STAFF

*No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.*

**With reference to your reply under joint house mortgage (January 7) where a wife inquired whether her husband was entitled to demand half the mortgage payments since she had left him, would the fact that the husband had had the full benefit of the house for 18 months also be taken into account, or would the fact that she had left him, and so chosen to forgo the benefit, negate such a point?**

Both facts would be taken into account. The court takes into account all matters which are material to the question which has to be decided. A deserted husband would normally not be regarded as having a benefit conferred on him by his having the sole use of the matrimonial home, and the wife would not normally stand to gain on this score; but there could be circumstances in which there is a material gain for the deserted husband, for example if the matrimonial home consisted of particularly cramped quarters. The fact of each case must be considered on their own merits.

## Tax relief and a house

**I do not own a home, but supposing I were to buy one with the intention of retiring to it in a year or two would it be eligible for tax relief from the date of purchase, or would it be from the time of taking up residence? What would be the position if the property were purchased in the Irish Republic or the Isle of Man?**

You should ask your tax inspector (or any convenient tax office) for a copy of the free booklet IR11, "Tax Treatment of Interest Paid." The 1977 supplement to booklet IR1, "Extrastatutory Concessions" may also help you: concession A29 deals with certain temporary absences from mortgaged property, although not quite what you appear to have in mind.

No U.K. tax relief would be obtainable if you chose a house in the Isle of Man; but the Irish Republic is covered by the mortgage interest relief provisions in virtually the same way as the United Kingdom (under section 49 of the Finance Act, 1976, and earlier legislation).

The rules are complex and arbitrary—and mistakes cannot always be remedied later—so you should check your position well before entering into commitments. Particular care will be needed if you propose to borrow from a mortgage outside the U.K.

## Capital gains impasse

**In 1975-76 my wife and I had capital gains of £72 on investment trusts and of £331 on other stocks and shares. My income was such that the capital gains was taxed at 30 per cent., the alternative charge not being to my advantage. My tax inspector has charged the total gain of £403 at 30 per cent. and argues that the reduced rate on investment trusts applies only where the alternative charge to tax applies. Is this not contrary to Finance Act 1972, Sec. 112, especially 3(b) and (c)?**

You understand the tax law better than your tax inspector does. The CGT assessment for 1975-76 should be:

| | |
|---|---|
| Chargeable gains: £403 @ 30% = | 120.90 |
| less: credit under section 112 on £72 @ 17½% = | 12.60 |
| Capital gains tax liability | £108.30 |

The simplest way out of the impasse is to send a copy of the inspector's letter of refusal (or an extract, including his reference number, etc.) to the Inland Revenue Technical Division (Capital Gains), New Wing, Somerset House, Strand, London WC2R 1LB. They will be able to tell the inspector which paragraph in his official instruction book he has overlooked or misread.

## Loss on Krugerrands

**In December, 1974, I bought 20 Krugerrands and sold them for a loss of £409.45 in July, 1976. My tax inspector has refused to allow this loss against capital gains made during 1976-77. Have I any grounds for appeal?**

The answer is almost certainly yes—but you do not give us much to go on.

You could submit a claim for relief under section 168 of the Income and Corporation Taxes Act 1970 (on the basis of Wisdom v Chamberlain, 45TC103) at the same time as you press your appeal under section 22(1)(b) etc., of the Finance Act 1965. One of these alternatives should succeed, depending on the circumstances.

As you do not say what grounds the inspector gave for refusing CGT loss relief, it is difficult to suggest counter-arguments.

## No possessory title

**Without success, I have made every possible inquiry about the ownership of a large plot of land adjoining my land. If I made a statutory declaration stating the facts and fenced the plot, would the Land Registrar grant and register a possessory freehold title in my name immediately?**

The Land Registry will not consider granting you a possessory title until you have been in undisputed possession of the plot for 12 years or more.

## A combined drain

**I live in a house built in 1936, drained by a combined drain under a combined drainage order obtained by the builder running under my neighbour's garden. My neighbour now suggests I have no legal right to use the drain and suggest I either construct another, or pay him rent. Can I resist this claim?**

We think that you can maintain your right to use the combined drain under the original Combined Drainage Order or Agreement or alternatively as a prescriptive easement, and need not defer to your neighbour's claim.

## Right of way with carriages

**Although I have a right of way over a path belonging to my neighbour, Mr. X, granted by a covenant from his predecessor to pass and repass "with or without horses . . . carts and carriages" he now refuses to recognise this. What action can I take, short of going to court, to make him recognise my rights? I do not immediately wish to use the path, except as a footpath, but my solicitor, who has written pointing out the situation as it is, regards it as important that my rights are established, since possible road improvements might make it difficult to get onto the road by car unless I took it over the footpath.**

There is no action that you can take short of going to court, other than by making use of the right of way with horses or with cars (carriages). Your remedy then lies in going to court to obtain an injunction restraining Mr. X from interfering with your right. A letter before action would be advisable, but as your solicitor has already written to Mr. X it is not essential to write again. We agree with your solicitor as to the importance of establishing your right now that it is challenged.

## Sale of a joint house

**Two years ago, I moved into the jointly owned family home. No maintenance payments to my wife were legally confirmed, but I did agree among other things, to allow her to occupy the house until after a period during which my yongest son was at work and self sufficient, when it was to be sold. Now my wife says she does not wish to sell, nor will she pay me for my share, though I should like to buy the house myself. What can I do?**

You will have to initiate proceedings in the High Court to procure a sale of the house. An application for a sale will not necessarily be refused if there are no children of the family who need to reside in the property. You should consult a solicitor.

## Mortgages insurance

**I own two properties each mortgaged with a building society. As agent for an insurance company, I have approached both societies, asking that I insure each property through my own agency, but have been refused. Are they entitled to do this?**

Most mortgages contain express provisions as to the insurance of the mortgaged property and these commonly require the mortgagor to insure at an office of the mortgagee's choice. If this is so in the case of the two mortgages to which you refer the refusal of your proposal is perfectly proper. You must examine the terms of the mortgages.

## Resiting of wires

**Several years ago you advised me about having a telegraph pole resited, and as a result the GPO did it for me at no cost. Now I have moved to another house where the telephone and electricity wires run through a sycamore tree in my garden, which I should like to cut down, whereas now I can hardly prune it. Have you any suggestions, please?**

You do not say whether there is a wayleave agreement for the electricity wires. You ought normally to be able to procure a resiting of the wires, much as you did previously, but you will not normally be able to insist on their removal. In the first instance you should approach the Post Office.

## Disclaimers by auctioneers

**Most auctioneers disclaim responsibility for descriptions of lots in a sale. Are they under any legal obligations as regards their description and if so, can they, unlike other vendors, avoid responsibility for false descriptions by a disclaimer of the sort, given in their catalogues?**

Exclusion clauses may be inserted in contracts, including contracts made at a sale by auction. However, there are a number of areas in which particular duties or liabilities cannot be excluded, for example under the Sale of Goods Acts certain warranties cannot be excluded, and under the Misrepresentation Act 1967 liability under that act is not to be excluded, and under the Misrepre- of freehold or leasehold property a disclaimer such as you describe would normally be effective.

## Retirement as trustee

**By his will my father, who died 30 years ago, appointed a bank and myself as executors and trustees of his estate. In recent years I have agreed to substantial increases in the fees charged by the bank, though no increase was provided for in the original terms. Now against my wishes the bank want a further increase, and say that if they do not get it they may be forced to resign. If this were to happen presumably another professional trustee would have to be appointed. Can the bank resign in this fashion?**

The bank would normally be required to abide by the terms for remuneration provided in the will. Moreover having once elected to undertake the duties of executor and trustee there will be little room for claiming that the terms are unsatisfactory after 30 years in office. The bank would have to seek the leave (and order) of the Court to retire against your will: and it may well not succeed on such an application. We think you are right to resist. Even if a new professional trustee is appointed the charges may not be as high as those charged by the particular bank in question.

## Adverse possession

**Referring to your reply under free use of garden (January 14) concerning the establishment of title to land after 12 years adverse possession, do special conditions apply where the land is owned by a local authority?**

No: time runs against a Local Authority under Section 4 of the Limitation Act, 1939, just as it does against an individual.

# Insurance

# A pain in parts foreign

BY JOHN PHILIP

WATCHING the recent BBC's holiday programme on Malta I was surprised that no mention was then made of the current dispute in the island between the government and its doctors, which was the subject of a press statement by the British Medical Association at the end of December.

According to the BMA many doctors qualified and practising in Malta have been locked out of state hospitals for some months and are thus effectively prevented from providing service to patients who are seriously ill: the Maltese government meantime, with varying degrees of success, has invited doctors from other Mediterranean countries to do the work. What the BMA has said is that anyone considering a holiday in Malta should be aware of the possible risk that may result from falling seriously ill or being injured there at the present time.

Whatever the rights and wrongs of the dispute, if there is currently a shortfall of service, and not just in Malta but anywhere, what insurance cover can the prospective traveller obtain to alleviate any potential difficulty?

Travel insurance cover can be bought either selectively—where the traveller chooses his own cover and financial limits and pays accordingly—or more usually, in package form. Here the traveller gets a bundle of insurance for person, property and liability, for amounts calculated by insurers to fit their unit price—usually in the range of £3.50 to £5.00 for a 17-day holiday.

Without looking through the package insurance offers in this year's holiday brochures it is safe to say that every such scheme provides cover for medical expenses but it is necessary to look at each contract to see precisely what protection is afforded. On-the-spot expenses are covered, when the travellers gets back home, on production of the appropriate bills, subject always to insurers' stated financial ceiling—which is fine so long as the local medical service works.

If it does not, then reliance may have to be placed on insurers' other undertakings which often, but not always, expressly include the promise to pay repatriation expenses to the British Isles which are necessarily incurred, and which arise because of illness or injury sustained abroad.

Here insurers usually include the extra cost of travel by a relative or friend who is required on medical advice to accompany the patient. But of course this repatriation insurance is subject to the financial limit of cover fixed by insurers in the package, or where the traveller buys a selective policy by the sum that he himself chooses.

Repatriation cover is normally thought by insurers to be very much of an insurance long stop, to deal with the relatively few travellers who need specialised treatment back home—this is why insurers use such words as "expenses necessarily incurred," to show that repatriation is not at the claimant's option. But sometimes the cost of repatriation can be significantly less than the cost of treatment abroad, so that if the claimant on return to this country uses the National Health Service, repatriation is clearly in insurers' financial interests. Be this as it may, if in any holiday area, the local medical or hospital service fails then most policies carry this residuary cover and insurers have adequate reason to pay for the repatriation costs of those who fall seriously ill or are seriously injured and cannot obtain help locally.

On this aspect some insurers now avail themselves of the service of Europ Assistance, a specialist organisation whose task it is to lead the holiday-maker to on the spot medical service or if need be to get him back home. For these insurers Europ Assistance is part of their claim servicing organisation and its costs are included in the overall premium that is paid for the cover at the outset: policy-holders are given full details of how to use its services.

Recognising that the cost of medical treatment abroad as well as the cost of repatriation has substantially increased in recent years, most insurers are now providing £2,000 or more medical expenses cover per person in their standard packages as marketed by the tour operators. But at the other end of the scale most policies have small excess clauses, requiring for example the 70 year old policyholder to pay the first £ of any claim or the female policyholder to pay the first £ of any claim in respect of pregnancy complications: while it is more the rule now than the exception to provide almost full cover for the older holiday-makers, some package policies do have age restrictions while many selective travel insurance, by virtue of their individual nature, are sold with a positive age cut off.

In providing travel cover most of the insurers backing the tour operators' schemes no longer apply any pre-existing injury or illness exclusion, to the cancellation, accident or medical expenses sections of the policy. Some insurers quite positively disregard this undoubted potential source of claim, compensating for the inclusion of the extra risk in the prices they charge.

Others make it clear, if you read the tour operators' booking forms carefully, that you must disclose at the time of booking any adverse health features which could lead to the cancellation of the holiday or disability while on holiday. Some go so far as to insist that notice must be given to insurers if such circumstances become known after booking but before departure on holiday.

# Taxation

# Oddities of retirement relief

RETIRING may not always be straightforward, but retirement relief is inherently trickier. Included among the exemptions and reliefs written into the original structure of the capital gains tax, it is officially entitled "Transfer of business on retirement."

The first trick is to notice that retirement is mentioned only in that headnote: the section itself does not require that anyone retire, and it is only the body of the statute which fixes the tax law, headnotes are irrelevant.

The relief is designed to reduce the capital gains tax which the owner of a business might otherwise incur on selling that business, or passing it on to his successors. The sale or gift might well coincide with the owner's retirement, and each might well take place around his sixty-fifth birthday, but it is ageing not retiring which provides the relief. If the owner is sixty-five or more, the maximum claim could be a £20,000 reduction in his chargeable gain. If he is over 60, the maximum is £4,000 or a proportion thereof for each year and part year since his sixtieth birthday.

Age is obviously not the only requirement. The period during which the owner was involved in his business before his disposal is relevant, and so is the shape of that business. Here the relief starts getting so tricky that one might almost think the draftsman was going for a grand slam.

He envisages first a relief for the gain on the disposal of a company's shares where the business is being carried on in corporate form, but hedges this with restrictions. The company concerned must have been in existence for ten years and throughout that period its activities must have been wholly or mainly trading. The holding of investments is insufficient, and for that reason the holding company of a trading group would be debarred. Secondly, the company must throughout the same ten years have been a family company, meaning either one in which our owner held 25 per cent. of the shares, or in which he held 10 per cent. while his holding together with those of his own and his wife's immediate family totalled 75 per cent.

Even if the company passes all these tests, another one faces the owner. He must throughout the ten-year period have been a director of the company and must have devoted substantially the whole of his time to that office.

The draftsman is not generous enough to free the whole of the gain on the shares which are sold or given away. In six lines of almost impenetrable obscurity, he divides that gain, proportionately, into two parts. For his proportion he looks into the company itself to find the values of the company's "chargeable business assets" and of its other assets. That fraction of the gain on the shares which he has equated to other assets is fully taxable. The fraction related to chargeable business assets is taxable only to the extent that it exceeds the £20,000 (or other lesser) monetary limit.

So what is a chargeable business asset? It is an asset used for the purpose of the company's trade, and whose disposal would be a capital gains tax transaction, not a trading one, for that company. Any goodwill which the company has fits into this definition, whether or not it is stated at any amount in the balance sheet. Investments held by the company would not be included, since they could hardly be said to be used in the business.

It is worth noticing that the draftsman is looking for the values of the chargeable business assets and of the other assets. As indicated, this does not mean their balance sheet stated amounts, and nor does it mean the gains which the company would make if it were to dispose of them. The law only refers to assets, and does not mean net assets after deducting liabilities. Lastly, notice also that the ten year qualifying period applies to a number of items, but not necessarily to ownership of the actual shares being disposed of, and specifically not to the company's possession of its chargeable business assets. A theoretician might say that the section was not just tricky but quirky: A company which factored its debts and ran down its stock levels could increase the relief to its shareholders.

There is a parallel relief for the owner of an unincorporated business, although here the position is not only more logical, but less restrictive. The ten year period is again a requirement so far as the individual's ownership of the business is concerned. He need not of course be a sole proprietor but a partner's relief would be restricted to the smallest percentage interest he held during the ten years, not necessarily his exit percentage. Partnerships do not have to be "family" businesses, and neither partners nor sole proprietors are required by the draftsman to have devoted the greater part of their time to the business—it is other pressures which force this upon them.

The partner or sole proprietor will be disposing of his direct share of the chargeable business assets themselves, as opposed to an indirect disposal through a company's shares. His relief is calculated and set against the gains which he makes on the disposal of the specific assets, again subject to the £20,000 or lower monetary limit.

There have been many calls during the years since 1965 for the oddities of retirement relief to be relaxed, not least the double charge arising from capital transfer tax on top of capital gains. The Revenue response has been limited to an opening of the section to cover cases where a business started the ten year period unincorporated, but was then put into a company. The £20,000 figure does however represent a doubling by the 1974 Labour Government of the figure in the original 1965 legislation.

DAVID WAINMAN

# Chess

THE ANNUAL British Chess Federation post-Hastings grandmaster tour showed that even the best players in the world, with a fast sight of the board, find simultaneous games difficult when the opponents are uniformly strong.

Hort achieved good results outside London against club standard teams while ex-world champion Petrosian did well in most of his exhibitions in the London area. But in the matches which have proved a graveyard for visiting grandmasters—at the London Central YMCA and the Evening Standard London junior congress—even these fine players struggled.

Hort, forewarned of the juniors' ability, totalled 15 wins, 11 draws, four losses in six hours; but the significant feature was a "second string" event arranged by the Slater Foundation to give less experienced schoolboys a chance to meet a grandmaster. Shamkovitch, reigning United States Open champion, could only make 15 wins, seven draws and eight losses also in six hours. Most of those who scored against him were aged 14 or younger.

Apart from the pre-war Moscow Young Pioneers, I doubt if any other country has the depth in junior chess to achieve such results over 60 boards.

Petrosian's Central YMCA match was the most interesting of all. Back in February, 1935, Moscow and Leningrad put out teams against Capablanca which were so strong that the great Capa, reputedly the best simul player of all time, got minus scores. His opponents included Tolush, who became a grandmaster, and Batuyev and Zagoryansky, who became masters. For a GM to do that badly in a simul outside Russia is almost unheard of, although the Hamburg and Hanover clubs in West Germany have gone near.

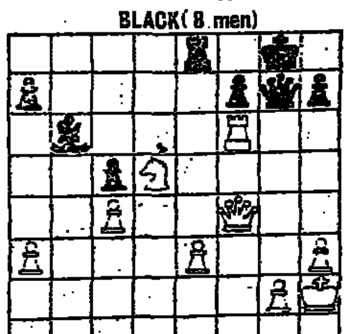
Petrosian only just escaped Capa's fate. He was a game down with four to play, and emerged with a bare plus score (10 wins 11 draws, 9 losses). His opponents included the Centymca London league first team and the strongest juniors from the BCF national squad.

Knowing Petrosian's flair in simple and blocked positions his opponents successfully aimed for open, unbalanced play and tactical attacks. The ex-world champion suffered in the middle games but saved inferior endings by virtuoso technique.

Both Petrosian and Hort said afterwards that their opponents were better than Russian juniors of the same age, but Petrosian added "they should be playing in master tournaments, not simuls" and Hort asked "What will you do with them in a few years time when many of them will be international tournament strength?"

POSITION No. 202

BLACK (8 men)

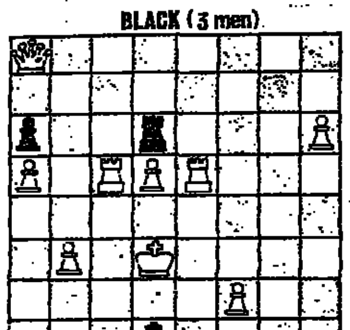


WHITE (9 men)

Uhlmann v. Bronstein, Szombathely 1966. White (to move) faced a recurrent chessboard problem. With a pawn up, a fine position, and a variety of choice, which is the quickest way to win?

PROBLEM No. 202

BLACK (3 men)



WHITE (9 men)

White mates in three moves, against any defence (by H. Karrer, Basler Zeitung 1977).

Solutions Page 2

Coming from Eastern Europe where "chessmaster" is a respected profession, this is fair comment. Physical locations, let alone funds, for tournaments are difficult to find in English cities.

While Moscow, Stockholm and Prague have central chess clubs aided by municipality or state, and while New York and Amsterdam have the Group Health Insurance building and the RAI-gebouw were business firms donate space for internationals, London has nothing. If only someone would grant an evening and week-end venue in London available for tournaments of 20-50 players, it would be a real break-through for British chess.

This week's game was the most remarkable of the Petrosian simul, for it gave the winner—at age 12!—a total of two and a-half out of three against Korchnoi, Portisch and Petrosian, three of the six best players in the world.

White: Tigran Petrosian (USSR). Black: Nigel Short (England juniors). Opening: Queen's Indian (Slater Foundation simul 1978).

1 P-Q4, N-KB3; 2 P-QB4, P-K3; 3 N-KB3, P-QN3; 4 P-K3, B-N2; 5 B-Q3, P-B4; 6 0-0, PxP; 7 PxP, B-K2; 8 P-QN3, 0-0; 9 B-N2, P-Q4; 10 QN-Q2, N-B3; 11 R-B1, R-B1; 12 R-K1, P-KR3 (safer R-K1, B-B1 and P-KN3); 13 B-N1, PxP; 14 PxP, Q-Q3; 15 Q-K2, N-N1; 16 N-K5, QN-Q2; 17 P-B4, KR-K1; 18 R-B1, B-B1; 19 K-R1, P-N3; 20 Q-Q3, B-N2; 21 B-R3, Q-N1; 22 QR-K1, Q-R1; 23 Q-R3, N-N1; 24 P-QB5 (24 P-Q5!, PxP, ...) P-KB5 with a strong attack; P-QN4; 25 B-N2, B-Q4; 26 ... N-B3; 27 QN-B3, N-K2; 28 ... N-R2; 29 Q-N3, Q-N2; 30 ... P-N4; 31 PxP, PxP; 32 ... PxP; 33 NxP, N-N4; 34 ... R-B1; 35 BxN, PxB; 36 N(R)-... R-KB3; 37 Q-R2? (a blunder, but Black is now better); RxN!; ... Q-R5 (38 NxR, BxP ch; 39 R-B2 RxP), R-R3; 39 Q-B7 ch, K-R1; 40 Resigns.

Apart from the result, the feature of this game is Black's Nimzovitch-Reti-style long-distance defence. Not a black piece ventured beyond the fourth rank the whole game.

LEONARD BARDEN

# Bridge

THE CROYDON CONGRESS, which took place last week-end at the Fairfield Halls, was a most enjoyable occasion. Last year Bob Rowlands, Antonia Flood, Derek Rimington, and I won the team-of-four Championship, but this year, though we qualified for the final, we failed to retain the title. However, by way of compensation, Derek and I won an Open Pairs event.

In the Championship Pairs, in which I was partnered by Clair Sexton there was an unusually large number of interesting deals, and it is from this event that I take to-day's examples.

At game all West dealt and bid one diamond, I bid one

N.
♠ A 5 3
♡ K 9 6 5 4 3
♢ 8 2
♣ 7 6

W.
♠ Q 10 8 6
♡ —
♢ A 9 7 5 3
♣ A Q 8 3

E.
♠ 9 7
♡ J 10 8 7 2
♢ 6 4
♣ J 10 4 2

S.
♠ K J 4 2
♡ A Q
♢ K Q J 10
♣ K 9 5

heart on the North cards, and after East had passed, South said two diamonds. I could only rebid two hearts, and my partner raised to four hearts. This was doubled by East, and after a diamond lead I could not avoid going one down for an equal bottom.

One cannot criticise South's raise to four hearts, but in the post mortem I suggested that perhaps three no trumps was a better bid. One opponent then said that a club lead might beat the contract, but that is not so—the club King is the ninth trick. The other opponent said that a diamond lead would defeat three no trumps—let us see whether he was right.

South wins the first diamond, cashes Ace and Queen of hearts, on which West throws two clubs, and then returns the diamond King. West's best defence is to duck, win the third diamond, and throw declarer in with a fourth round. South crosses to the spade Ace, and cashes the heart King. If West discards the club Queen, he is thrown in with the Ace, and after cashing a diamond, he must surrender the remainder of the tricks; if he discards a spade, South cashes the spade King, throws West in with the Queen, and must make the club King for his ninth trick.

Hearts were, I am glad to say, kinder in this deal:

N.
♠ A K 10 7 4
♡ 9 8 7 6
♢ 7 6
♣ 9 3

W.
♠ Q 2
♡ K
♢ Q J 10 8 4 3
♣ K 10 8 2

E.
♠ 8 6 5 3
♡ 5 4 2
♢ K 9 5
♣ Q 7 6

S.
♠ J 9
♡ A Q J 10 3
♢ A 2
♣ A J 5 4

With East-West vulnerable, I opened the bidding with one heart on the South cards after three passes, and went four after a double raise from my partner.

Winning the diamond Queen in hand, I led the Knave of spades. West covered, and the King won. I came to hand with a trump, playing my Ace as a slight safety measure against having a spade ruffed as I took a diamond discard on the third round. The fall of West's King was a nice bonus, so after cashing one more round of trumps, I made the nine of spades, crossed to dummy's eight of hearts, and ran off the spade winners for a total of 12 tricks. This time we received an equal top score, but although we were two tops above average, we finished no higher than fourth.

E. P. C. COTTER

# Motoring

## 'rby winner

ibacks are fashionable but than 40 per cent. of an motorists are said to r small cars to have a al boot. It is much the here, only more so. Hence wagen's decision to make Derby, a saloon-with-a-boot on of the Polo super-mini, s been a runaway success homeland and Volkswagen ) plan to sell 7,000 here ear, compared with 11,000 back Polos, and reckon of the Derby will overtake of the Polo next year.

e only Derby sold in Britain a 1.1 litre, 50 horsepower e and similar trim to the -the-range Polo LS. It has ame zippy performance as Polo, looks much bigger, is virtually the same and boot that would do credit most medium-sized family ns.

Driven gently, it will do better than 40 m.p.g. The engine growls when accelerating but the Derby is very quiet indeed on the motorway at 70-75 m.p.h. Handling is nimble, wet road-holding secure, the driving position ideal with lashings of seat adjustment and all controls (bar the surprisingly heavy brakes) are effortless. On the road, including a year's tax, the Polo costs £2,963. It is everything a small saloon car should be, though VW should have a look at the boot lid. When you lift it after a rainy night, water dribbles on to your luggage.

## 'nly one owner

STUART MARSHALL

THE LAST few years, an ated 17 per cent. of all h registered cars have bought by members of the h Vehicle Rental and Leasing Association. As rental/leasing organisations normally turn their stock (that is, their every three years at the mum, it means at least half million second-hand cars to-day are running for self-drive rental or leased tive-type cars.

d only a very small perge of those buyers could known exactly what they buying. With the old fash- , concertina-fold logbook, could always look up the of the previous owner, n you cannot easily do with omputerised paper slip in o-day. It would, however, have been of much help. rental companies, almost ut exception, preferred to al their identity behind s that motor traders knew pseudonyms for car hire nisations but which meant nothing to the motorist in the street.

Most motorists would hardly go out of their way to buy a former self-drive hire car, believing it to have been hacked around by a succession of uncaring drivers and generally to have been given a hard time. They would prefer to buy a car which, in the motor trader's terminology, is "clean and a good runner, used carefully by its sole owner, an old lady who used it only to go to church in every Sunday."

In fact, the reverse is often true. Many private owners, crippled by the cost of putting a new car on the road, neglect to maintain it properly. They assume that if they sell it at, say, two years old, lack of servicing will not be obvious to the buyer, providing the seats are clean and the paintwork shiny.

Car rental companies, on the other hand, know a car off the road will lose them revenue and that, if for no other reason, it will pay them to keep it in as near perfect condition as possible. And leased cars go out with a regular maintenance clause written into the agreement, which the owning company takes care to ensure is carried out.

Avis Rent-A-Car decided last year that instead of disposing of their cars semi-secretly, they would capitalise on their careful maintenance programme. Like the supermarket selling own-brand groceries, Avis are now selling a selection of what one might call their own-brand used cars from a showroom on the Bath Road by London Airport. To make certain there can be no doubt in the buyer's mind that he or she is buying an ex-Avis car, all their self-drive rental and executive leased cars are now registered under the Avis name.

At the Bath Road showroom —soon to be joined by others, starting at Wolverhampton and spreading to the main cities of Britain—there is a stock or 30 or so low-mileage ex-Avis self-drive hire and leased cars ranging from Ford Escorts at well under £2,000 to Jaguars and Porsches at up to five times that price.

All are guaranteed for 12,000 miles or 12 months. One I picked out of the showroom to test drive on a pouring wet morning a couple of weeks ago was a four-door Avenger 1600, with 8,636 miles on the clock. It cost £1,995 (new price about £2,700) and in effect was a nicely run-in new motor car, immaculate inside and out. Avis, who reckon the Avenger and Vauxhall Cavalier are the most under-valued cars on the second hand market to-day, normally dispose of their self-drive rental cars (Escorts, Cortinas, Chevettes, Cavaliers and Avengers for the most part) when they are a year old, having run 15,000 miles or less. Were I in the market for this kind of used car, I would rate an Avis "own brand" well worth a look at.

No individual can know as much about the used car market as an organisation like Avis who buy and sell them with the expertise of a successful commodity trader. After all, profit on the rental revenue account means nothing if the capital account isn't equally healthy.

They have found that automatics are much easier to sell in the Home Counties than anywhere else. Any Leyland car is more easily sold in Birmingham than elsewhere, as Vauxhalls are in Luton. Why so? "Ready availability of cheap spare parts may be something to do with it," an Avis man said, enigmatically.

# Golf

## Young Brand is warming up

BY BEN WRIGHT, The Algarve, February 10

THE IMMENSE value to an aspiring young professional of early season pro-am tournaments abroad in the sunshine has never been more clearly indicated than in this past month here. For when 22-year-old Gordon Brand, the tournament professional from Baildon, near Bradford, won the Algarve Agency-sponsored 54-hole tournament at Vale de Lobo on Thursday he more or less exactly doubled in one month his entire year's earnings in Britain and Europe in 1977, his first full season on tour.

Brand, a formidably-built former Yorkshire amateur champion and English international, made a promising start last season. He finished joint 32nd, 35th and 20th respectively in the Portuguese, Spanish and Madrid Open championships, winning £613.11. But in 12 further tournaments in Britain he earned not a single penny, and thus finished a distant 103rd in the Order of Merit—and flat broke.

If they can recruit three amateurs to partner them in the five PGA-approved pro-ams worth £13,000 organised on this beautiful golfing coastline by the Algarve Agency's offshoot, Longshot Golf, in January and February, however, the professional travels free. Brand had the initiative to put together five different teams, and in the four events played so far has finished fourth, first, 13th and now first again.

Next week he returns to Vilamoura, the site of his first victory, having won £1,210 off his own bat, not to speak of his team's winnings. But the important point is that he has had no expenses to meet whatsoever, and can now afford to travel to Kenya and Zambia next month to warm up for an expensive five-week trek round Europe. Since Brand appears to have considerable potential one hopes he will attract a sponsor to further what could be a very promising career.

Brand was never headed at Vale do Lobo, opening with rounds of 69 and 68 against the par of 73 the only two scores under 70 recorded during the tournament. These magnificent efforts gave him a lead of nine strokes over Irishman Paddy Skerritt (71, 75) and 10 over the world senior professional champion of 1976 and 1977, Christy O'Connor (73, 74), with several more former Ryder Cup golfers nowhere in sight.

There are few more dangerous situations for such an inexperienced professional to find himself in. The knowledge that one might be able to take 80 shots and still win encourages negative, defensive thinking. And Brand knew only too well that the great O'Connor, who won the corresponding event here last year when he also grabbed two victories in four weeks, had created a record of 66 while doing so.

Surely enough, Brand was given the information as he stepped on to the first tee that O'Connor, who was on the course before 9 a.m. in driving rain that persisted all day, was four under par after ten holes. Brand pushed his drive into the trees, scrambled a par five, and then promptly hooked his drive from the elevated second tee out of bounds over the wall. The Yorkshire lad was really in trouble, particularly since the narrow 366-metre third hole is flanked on both sides by villas whose gardens are out of bounds.

On two successive days my own professional partner, David Shaw, the 22-year-old assistant professional at Vale do Lobo, had pushed, or more truthfully shanked, his tee shot with his No. 1 iron out of bounds. But after a perfectly placed drive Brand hit the flagstick with his eight iron second shot, recorded a birdie, and was only once more in any kind of trouble.

At the steeply downhill 460-metre 10th, Brand cut his drive 30 yards into the jungle of rocks, scrub and umbrella pines, but was fortunate enough both to find a favourable lie and a sizeable gap through which to thread his second shot. His score of 75 for a seven under par total of 212 was adequate enough to give him a winning margin of seven strokes over both O'Connor, who faded to a 72, and Skerritt, who took 73 for totals of 219, level par.

# Crufts

CRUFTS IS a most cosmopolitan gathering. While French and Japanese humans search out Old English Sheepdogs, a Siberian husky, born in the Bronx, lies in his pen and dreams of leading his team through the green fields of home in deepest Kent.

The dogs—there are a record 10,016 of them this year—do not enjoy the show. They sit in their open-sided pens, sharing them sometimes with their owners, looking bored and lack lustre. There is nowhere for them to run or play and the wait for the judging of their own particular breed can be interminable.

Few of them bother to raise so much as a bark of protest and even their owners admit that "this isn't much fun for the dogs." The lady in charge of the huskies confessed that Elya, Mikishar the Amarok (Eskimo for "wolf being") and Sernik (meaning "pancake" though whether it is an Eskimo or a Russian word no-one seemed too sure), would have been happier pulling their three-wheeled cart round the snow-covered environs of Ashford.

The husky and human components of her household had risen at 5 a.m. and all of them had been sitting around Olympia since 7.45 a.m. By lunchtime the dogs had become extremely bored and were taking no pains to hide the fact. On the other hand they looked docile enough and their owner explained that the notion of the untameable husky is a myth. Elya, Mikishar and Sernik were perfectly well behaved and friendly.

Once they go before the judges the dogs perk up amazingly, at least those who are up to scratch do. One breeder gave an excellent impersonation of his Old English Sheepdog, Bradley, prancing proudly round the ring with his nose in the air.

Last year Bradley had won a first prize at Crufts and his owner insisted that if Bradley were human he would be a strong supporter of Margaret Thatcher: "He is so true blue."

It takes two or three weeks to prepare on Old English Sheepdog for a show and it seems that their owners need all the skills of a Teazy Weazy. The dogs have to be bathed repeatedly, though only the fine white hair is actually washed, not the coarser "blue" sections. And they are combed constantly, both the undercoat and the overcoat being carefully fluffed out, layer after layer. One breeder said that real artiste-owners could take a dog whose foot turned out and comb the fur so that the foot looked straight—" But don't put that in the paper."

Old English Sheepdogs are among the most popular export breeds and a dog from a champion breeder can fetch between £3,000 and £5,000 in the U.S. Nearly 10,000 dogs of all breeds were exported in 1977 though the total number was down on 1976. The Kennel Club, which organises Crufts, says the reason for the drop "has not been identified." None the less, British pedigree dogs are still thought to be the finest in the world and it seems the U.K.'s canine export trade is not to be sniffed at.

France, Italy and the U.S. were the biggest importers of British pedigree dogs last year, the three most popular export breeds being the Yorkshire terriers, toy poodles and Old English Sheepdogs—in that order.

The dog world can be a frightening place for the unwary and the ignorant. Security was tough at Crufts yesterday and a notice behind what looked like a netted pile of untreated sheep fleece read: "This Komondor is a guard dog. Do not Touch." An attempt to make friends with a gentle-looking miniature poodle with a bouffant hairstyle brought a sharp response from its owner. "He is not a poodle," she snapped. "He's an extremely rare jombon Fricassee."

Lunchtime for the Danes.

Well, that's what is sounded like. Closer inspection of the animal's ticket revealed that he was a Bichon Frise.

SUE CAMERON

# 'ardening

## The fashion in potatoes

GUESS is that far fewer toes will be planted in ens this year than last, h could be a mistake. It the potato famine of the 77 winter which sent prices ing and persuaded many en owners to grow potatoes merely as an economy but to ensure that there would potatoes for the family to

Last summer was such a one for this crop that they not have worried on either but there are still some ntages in growing at least rt of one's requirements at e.

r my part I shall certainly t again this year but I shall rt to my former practice of ing only for an early crop e expectation that I shall ble to buy a sack or two te potatoes at a reasonable for winter use. Early toes, most of which are imed, are always fairly pricy in any case are so much when lifted and used in hours rather than days I think it is well worth e to grow them.

st year I devoted a four- frame, a home-made affair uring 16 feet by 6 feet, to earliest crop planted in March and cleared by mid- by which time I was lift- from the open ground. We ed to dig about mid-May n the tubers were still small, act for the first few days ing is not the right word as I scraped about with a trowel searching for a few sizeable potatoes without disturbing the plants too much. It was surprising how quickly they gained weight after that, and the final crop was certainly worth while on economic grounds quite apart from the improvement in quality.

I planted two varieties, Sutton's Foremost and Arran Pilot, and both did well. Arran Pilot has been around since 1930 and is an old variety by present-day standards. It has often been criticised for flavour but really that is so much a personal matter that I find it impossible to be dogmatic about it. Grown at home in our way, and used absolutely fresh, we like it and I shall continue to grow it until I find something better. It builds up weight quickly, as does Sutton's Foremost, which is also very good eating, and both are even in shape which is more than can be said for Epicure, often recommended for quality.

Anyway this year I plan to plant both Arran Pilot and Sutton's Foremost again in the same frame after completely changing the soil. Outdoors I will plant Home Guard, another early potato which bulks early and seems to go on growing longer than most so that if left until July, it gives a really heavy crop. It is smooth and rounded, easy to scrape or peel with little waste and we like its flavour very much.

My final choice this year will be Maris Peer one of the newer varieties, a second early which should be ready for digging in July and August even from my cold, late soil. It is a round white potato, very smooth with eyes so shallow that one scarcely sees them. If I pressure cook the tubers in their skins I find that these seem to expand so that they slip off at a touch. I have never heard anyone else mention this as a feature of the variety so it may have something to do with the way I grow it; though there is nothing at all unusual about that. All potatoes in my garden get plenty of old mushroom compost, usually strewn along the planting furrows as well as dug into the soil. They also get a normal quantity of a compound fertiliser usually a cheap agricultural, 20;10;10; formula, before they are planted and a second, lighter top dressing in early June if they are to be left growing until July or later.

Last year I grew several maincrop varieties but regretted it as they were badly damaged by slugs. This was partly my fault for leaving them in the ground too long but also it was due to the exceptionally wet summer which enabled slugs to multiply alarmingly. For anyone who does want to grow potatoes for storing I suggest planting an early maincrop variety such as Desiree or Maris Peer, both varieties introduced in the early 1960s, which in trials and on farms have given consistently good crops. Desiree is a red-skinned potato and no doubt many housewives mindful of the excellence of King Edward, still prefer that colour. It is not quite as even in shape or shallow in eye as Maris Piper but the difference is not really significant.

What I shall not do again this year is to plant some early potatoes in June with the idea that I shall be lifting "early" potatoes in the autumn. All I got last year was a small crop of small potatoes that were indistinguishable in flavour from the late varieties I was digging at the same time.

What worries many newcomers to potato growing is the fear of disease. They read that this or that variety is, or is not, resistant to wart disease, potato blight, dry rot common scab, potato eelworm and so on and it appears to them that this must be a very accident-prone crop to have in the garden. Wart disease is scarcely ever seen nowadays, potato blight only becomes a problem after July, scab only affects the skin (and therefore the appearance and saleability) of the crop and does not matter at all when one is growing solely for home use. and eelworm is a pest that builds up in soil that is repeatedly used for potatoes. It can be devastating on farms but I have never heard of it being seriously troublesome in gardens.

ARTHUR HELLYER

# 'ishing

## The Siren of the shallows

I MAY say this is not the e to admit it, that such cons are better made in the acy of one's own intimate e of family and friends. But g a sensitive soul, I know among a wider audience I ht get more understanding, sympathy tinged with a lescending tolerance of the ecilities of impending lity.

or I am in the throes of an tuation. There is nothing aordinary in this. It is pening all the time when a man or woman thinks the character next door, in office, or in the bus queue, ld make a better mate than one at home.

here is nothing so common e about my affair. To begin with, I have never seen her. Nor, although I call her frequently, have I ever been able to speak to her. I have heard her rather husky voice giving me an invitation which can alter the whole course of my life for the next few days. Causing me to break family engagements, business appointments, and makes my life a constant web of indecision and deceit.

"The Robinsons have asked us lunch next Thursday," my wife will say. I like going to the Robinsons. The conversation is good and the food is better, to say nothing of the drink. Well, "I am not sure," I reply. "Why aren't you sure?" "Well something may turn up. Let them know by tomorrow, you can't keep people hanging about. It is rude."

I slink to the phone in another room. I dial the number, which I have already dialled a few hours ago. If the answer is favourable, to me at least, if there is a faintest ray of hope, I call the Robinsons and tell them regrettably I cannot make it. That the exigencies of the farm, the family or journalism make it impossible.

What about the following Thursday then? Thursday is a bad day for me, I reply, and so is Friday sometimes. The end of the farming week, you know. As Thursday approaches, I call my young lady several times of the day or night. This is one of her greatest assets. She is always there, she will always answer, and will keep talking for hours. As long as I pay for the call.

At first my hopes are raised, her tones, still rather flat and mechanical, display no sense of the sensual and the erotic. But her message is ever more inviting, and I have the greatest difficulty in containing my excitement. But then, on Wednesday morning I am desolated. The tone of the message is still the same but the whole anticipation of a successful meeting is dashed in an instant. I ring several times during the day, each time the position is getting worse.

That evening the Smiths ask us out for Thursday lunch. "Can you make it?" asks my wife. My beloved holds out no hope and so to the Smiths we go. There we meet the Robinsons, who on our entrance look vaguely put out. But Mrs. Robinson, a tactless woman, says "I thought you could not possibly make it, business, the farm or something."

"It's his girl friend," my wife explains: "she has him on a proper string. He won't make a move without consulting her." Both the Smiths and the Robinsons look nonplussed. Wife swapping they can understand, but menages a trois, are definitely out in our circle. "For nine months in the year he is her slave," my wife continues, "he thinks about nothing else."

"It's as well to tell them, John," she said. "I have known for years ever since I lifted the extension phone and heard her speaking to you. In fact I can get a good idea about your plans, by dialling her myself. She is far from being exclusive."

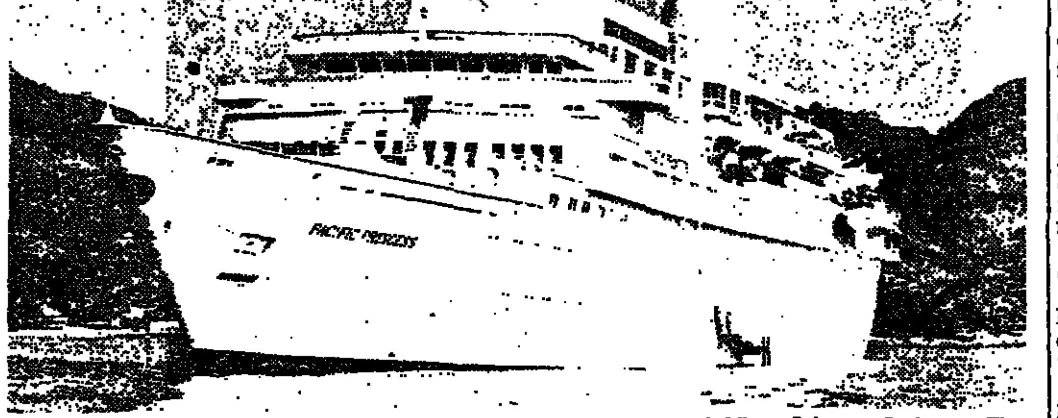
She, in fact, is the speaking depth gauge at the Hereford Weir. If the depth is anything over three feet my beat on the Wye is useless, a foot is about right. By constantly ringing I can get an idea of the trend in levels, and because since the season opened she had been talking of depths between five and 10 feet I haven't even set up a rod. I still haven't caught that salmon.

JOHN CHERRINGTON

# Travel

## Secret voyage to the Pacific

BY ARTHUR SANDLES



The Pacific Princess, one of the three ships in the fleet of P & O subsidiary Princess Cruises. The Pacific Princess is now affectionately known as The Love Boat since the vessel is the setting for a new American television series of that name—doubtless the programme if not the ship itself will be seen in the U.K. eventually.

AFTER A pleasantly warm autumnal day the California air was developing a chill. On the quay a Mexican band was stridently blaring into the night. Between us and them were a thousand coloured streamers. Farewells were called between ship and shore in a myriad American accents. The firm commands of English officers stood out in contrast as we prepared to move away.

This is P and O's American secret, for few British seem aware that this giant U.K. shipping group is one of the biggest cruise ship operators from the American west coast via its subsidiary Princess Cruises. The company runs three large modern vessels, the Pacific Princess (1971), the Island Princess (1972) and the Sun Pricess (1972). During the summer months they cruise the American and Canadian west coasts from Los Angeles, San Francisco and Vancouver while in the winter two ships cruise from the west to the Mexican Riviera or via Panama to the Caribbean, while the Island Princess is based in San Juan for Caribbean cruises.

We were heading South, with Acapulco as our furthest point of call, with stop overs in strange-sounding places like *Mazatlan, Puerto Vallarta, Manzanillo* and Zihuatanejo. At first the environment seems odd to the English tourist—so different from our own dear Southampton departures. But then you relax and enjoy it—even the good-looking blue-jacketed waiters which Princess uses as a reception committee and who whisk your wife away with Italian flattery immediately on arrival and delivers her back to you some time later. The joy of travelling with Americans is that they expect high standards and can get very angry when they are not delivered. The Princess ships are geared to this. I shuddered to think of what some of my fellow passengers would have made of my last cruise experience, in a thrice converted tub among the Greek islands.

*Another pleasure of travelling* with Americans is their easy conversational style. Somehow within hours we were friends with the group from Seattle, the advertising man from Los Angeles and the dress retailer from New York. Mel, the advertising man, proved to be something of a clairvoyant. While we worried about our collapsing pound he urged us to book for next year, "then the dollar will be worth next to nothing."

The changed value of sterling has indeed made the whole thing much more attractive. The basic cruises are not cripplingly expensive. P & O offer a Mexican Riviera fly-cruise from London for 15 nights, including scheduled air travel by British Airways from London to Los Angeles return and two nights in the Marriott Hotel in Los Angeles, plus a sightseeing excursion from £1,020. An alternative holiday which allows you to get off at Acapulco and see more of Mexico, visiting Mexico City and Taxco and flying home from Mexico City via Los Angeles starts at £997. These appear in the P & O brochure "P & O World Cruising Winter and Spring 1977-78." P & O can quote you dollar rates for the cruises if you are planning to go to the U.S. and wish to add on such a trip to your visit. In my case I tagged the cruise onto a business trip and my wife flew to Los Angeles on Laker Airways—she *was one week out of hospital* and got kid glove treatment.

On board the prices were surprisingly low. My bill for wine, which our table for eight took turns in buying, was only $27 and drink prices (this was four months ago) were around $1.25 for a very healthy sized cocktail.

The enormous difference between American and British traveller was to be seen when the ship was in port. By the hundred the Americans stayed on board ship or headed for American style, if not American owned, properties on shore. Such few British as were on board aimed determinedly local, coming back with tales of Mexican cuisine sufficient to make the hair of those Californian matrons stand on end. We were threatened with the direst consequences of Montezuma's Revenge, but noted that the only people to be so struck were those who seemed most determined to avoid the smell of a Tequila.

The Pacific coast of Mexico is famed for its beauty rather than *its history. The Spaniards used* it largely as a transit area, moving materials as quickly as they could to the Caribbean and Atlantic, and even the Indians preferred to build inland. Thus the culture vulture finds the pickings a little thin, but colour there is a plenty. The tourist veneer of much of the coastline is very thin indeed. Even in Acapulco it is scarcely one block *deep in from the bay,* and behind the tower blocks and Hamburger joints lies something of the real Mexico—alive, dirty, noisy and interesting. Not that the bar of the nearest Hyatt did not call occasionally.

But, unlike some cruises I have been on *where escape from* the ship is the prime aim, on our cruise the Pacific Princess quickly became home, and now, apparently, she is home to a great deal many more people. Last winter saw the start of a television series in the States called Love Boat. In a thin season it was one of the few shows to get a decent rating and now P. & O. is getting coast to coast coverage of life aboard its ship. Clearly the advertising must be worth millions and for P. & O. it means its Pacific secret is known to a few more people—only the British don't know much about it, for the moment at least.

Address: P & O Cruises, Beaufort House, St. Botolph Street, London EC3A 7DX.

Your Week-end £: Austria 28.80, Belgium 62.50, France 9.33, Italy 1,670, Greece 69.50, Spain 157.50, Switz. 3.75, U.S. 1.9325. Source: Thomas Cook.

## Taking a look at the inside

BY SYLVIE NICKELS

THE SQUARE of San Marcos in Leon is totally dominated by the formidable façade of a 16th-century palace. In the dusk, we drove past it twice before realising that this was our hotel; we had been told it was impressive, but this seemed ridiculous!

The Hotel de San Marcos is one of the "greats" of Spain. Formerly the Palace of the Knights of Santiago, it also once provided shelter for travellers on the arduous pilgrimage to Santiago de Compostela. To-day's clientele live rather less simply, and the furnishings of its great halls, passages, cloisters, nooks and crannies are the antiquary's delight. Compared with a similarly priced modern box in most European cities, it is a real bargain at from about £8 per night.

It was the hall porter at the San Marcos who did us a very good turn by advising against the obvious main route to the north coast and sending us by excellent and scenically spectacular minor roads via the Rio *Esla and Rio Bayones valleys* to join the costal road just west of S. Vincente de la Barquera.

That was last year and we were heading for the now-defunct car ferry service from Bilbao to Southampton: but the route would serve just as well *for those using the new* Brittany Ferries schedule between Plymouth and Santander, starting in April.

Before leaving Leon, however, we went to look at its monuments and, notably, the Gothic cathedral. A local brochure describes it as a symphony of light and stone, and it is not wrong. Nearly 1,800 square metres of stained glass from the 13th century onwards create an awesome explosion of colour. The Romanesque Basilica of San Isidoro and the old buildings and arcades of Plaza Mayor are among other sights.

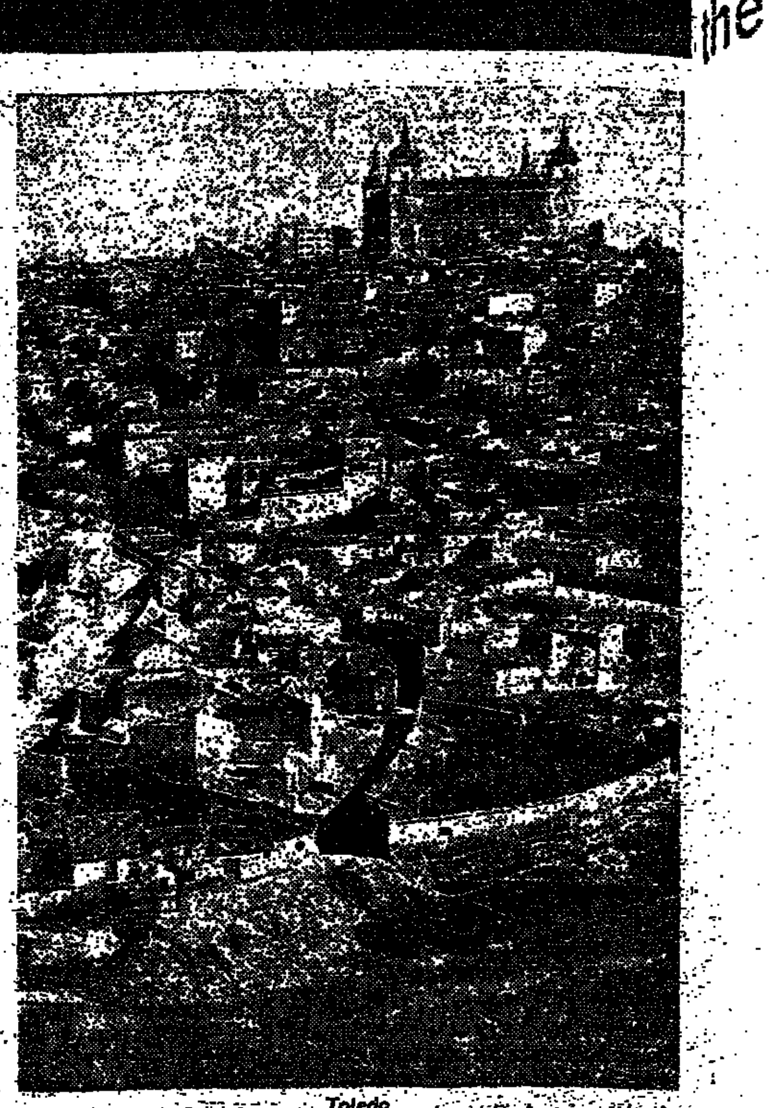
Leon is one of countless places in the Spanish interior that, were it closer to a beach, would be overrun by tourists. Indeed, in proportion to its coastal visitors, inland Spain must be one of the most neglected parts of the world. The great plateau which makes up so much of it, its rolling plains broken by mountainous serrations as you approach the centre or the edges, is scattered with cities and small towns many of which are pure gems in terms of architecture and pure therapy in terms of their unhurried pace.

It's all wonderful motoring country, either for the sheer *pleasure of its own self or as* a way of reaching the various beach areas of the Iberia peninsula. The roads away from the coast and out of main cities are blessedly traffic-free and accommodation is rarely a serious problem.

*If it is,* head for the "Brujula" office at railway stations or on city outskirts whose aim is precisely to save you tedious searching. In any case, take with you the list of State-run *paradores* (hotels) and *albergues* (inns) designed to give travellers good value in a proper local setting, usually away from popular centres.

*On the Leon occasion:* we were returning from Portugal and on the same journey made the acquaintance of two other fine inland cities: Burgos and Salamanca. Burgos has another vast cathedral (though I preferred Leon's) which looms over the city and is much to dark inside to appreciate many of the sculptures for which it is famous. Burgos is also the city of El Cid who was born and is buried here. The walks and *gardens on either side of the* river give the place a most pleasant air.

Salamanca, one of the world's oldest university centres, is marvellous, from the spacious arcaded Plaza Mayor, which is even better than Madrid's, to its *plethora of churches including* two cathedrals of which the "New" is from the 16th century and the "Old" from the 12th. It's a town of narrow streets and steep steps and old houses, and a mainly Roman *bridge still spans* the Tormes river. It was on the way from here to the Portuguese border that we came upon Ciudad Rodrigo, which is as near perfect an old hill town as you can imagine.



Toledo

Madrid itself is encircled, within a radius of 50 miles or so, by some marvellous places. There is Toledo, steeply huddled in a loop of the Tagus and which no El Greco addict should miss; Avila, confined within a truly impressive circle of medieval walls; Segovia whose great Roman aqueduct takes *giant strides over the medieval* city and whose fabulous castle soars above the Eresma river like a ship in full sail.

On many main roads, helpful *emergency services called Ayuda en Carretera* are operated by the Guardia Civil consisting of a vehicle with mechanic, spare parts and someone skilled in first aid. But it is also sensible to have good insurance — and Iusn-Spain through Cornhill Insurance here, provides a very comprehensive service reaching into the remotest Spanish back waters.

And *those* backwaters are well worth exploring. We spent several days a few years back pottering about little-known Pyrenean valleys and thus, by chance, came upon one of many old hill villages in the Aragon valley. It was Good Friday *and here, far from the* Holy Week burly-burly of more populated areas, we joined in the procession with the villagers and rounded off the evening with many of them in the local inn. Whatever we missed in the way of pomp and ceremony was more than compensated by both the fervour and the friendliness.

*Further information:* Spanish *National Tourist Office,* 70, *Jermyn Street, London, S.W.1.*

## A Costa that few have discovered

The Alcazaba fortress, Almeria.

IN THE CURRENT booking bonanza, which has brought smiles to the faces of both the tour operators and the retail travel trade, the perhaps over-familiar areas of mainland Spain and the Balearics are certainly going to play host to thousands of British holiday-makers. Yet, if you are thinking in terms of the sun-sea-sand combination, there are still areas where you can get that little bit off the beaten tourist track and sample something of the real flavour of Spain.

The Costa de Almeria, lying on either side of the provincial capital, enjoys a gorgeous climate and I found unbroken sunshine and a temperature in the 70s as early in the year as March.

The Province of Almeria lies to the east of the Marbella-Torremelinos strip and, while the provincial capital is not a major tourist centre, it is a place of considerable antiquity and interest.

Almeria can trace its origins back to Roman times but the massive Alcazaba fortress, considerably added to over the centuries, bears traces of both Phuenician and Moorish occupations. It completely dominates the city and there are spectacular views of the narrow streets in the older quarters as well as of the two harbours.

In those battle-torn times fortification was obviously a primary consideration and the cathedral looks equally impregnable. In contrast, the Town Hall, the focal point in an attractive square reached by a somewhat complicated one-way system, is a graceful and totally unmilitary building.

Almeria is also an excellent shopping centre with some delightful pedestrian thoroughfares in the old town and along the length of the flower-bedecked Avenida del Generalisimo which runs down from one of the original town gates towards the harbour. If you are driving through, keep an eye out for the traffic lights. I have never seen so many within such a short distance.

There is also a splendid market just off the main street and I brought home a very welcome souvenir of abundant local produce and, late in March, there were plenty of strawberries on sale.

Some of the established resorts lie to the west of Almeria with the mountains of the Sierra de Gador forming an impressive backcloth, while Mojacar is to the east. I drove out first along the cliff-edge road, where considerable and much-needed widening and general improvement has been undertaken, and on through the wide main street of Aguadulce to the new development at Roquetas de Mar.

The original fishing village, with the fishermen's homes grouped around the pleasant harbour, has been left undisturbed but the new Roquetas is something quite different. Planned as a fairly extensive holiday development, it now provides accommodation for holidaymakers in a series of hotels, apartment blocks and villas with an ample quota of *shops, restaurants and discotheques,* creating a functional and purpose-built holiday complex.

The surrounding countryside has also acquired quite a reputation as a kind of alfresco European Hollywood, and that speaks volumes for the sunshine records. A good road leads out of Almeria towards Tabernas, past the lunar landscape that provided some of the locations for the film 2001 and it was here that the laconic, cheroot-chewing Clint Eastwood shot to fame as the hero of those spaghetti westerns.

There are excursions out to see the Bar-Q ranch, with a front but no back, and it is a fascinating area to drive through on the road towards Sorbas with its whitewashed buildings gleaming in brilliant sun under a clear blue sky and appearing to cling to the sheer face of the rocks.

I was on my way to the enchanting Moorish hill-village of Mojacar, just inland, with a Parador down on the beach. A few years ago Mojacar virtually disappeared into oblivion and I only hope its re-discovery will prove in the long run to be a benefit conferred by the discriminating visitor. I also commend the excellent taste of the Moors who, having created their hilltop home with its steep alleyways and narrow streets, fell so much in love with the place that they asked if they might be allowed to stay there.

If you are looking for somewhere off the accepted Spanish tourist beat, there are delightful walks in the surrounding mountains and the hotels blend happily with the overall haphazard design of the little town and do not stick out like a couple of sore thumbs. As far as I can check, no British tour operator includes Mojacar, but it is, perhaps, a place to visit rather than a holiday base, as it is not on the coast.

Blue Sky, linked to British Caledonian, list two hotels at Roquetas de Mar with direct flights Gatwick-Almeria. A week, with full board, in rooms with private facilities and a balcony costs from £95 for a week in early and late season at the three-star Zoraida Park, while a 14-day holiday at the three-star Hotel Alis is listed at £175 in high season. There are attractive reductions for children.

OTA/Mundi Color, which *specialises in mainland Spain* and the islands, lists the three-star Hotel Sabinal on a beach-side setting in Roquetas, with a swimming pool and a separate one for children. The public rooms are air-conditioned. Inclusive costs based on twin-bedded room with private facilities, a balcony and full board range from £118 for seven days to £188 for 14 days according to date of departure with scheduled Iberia flights from Heathrow to Almeria.

*ADDRESSES:*

*Blue Sky Holidays, Blue Sky House, London Road, East Grinstead, Sussex.*

*OTA/Mundi Color,* 21/22, *New Quebec Street, London W1H 7DE.*

*Spanish National Tourist Office, 57/58 St. James's Street, London, S.W.1.*

PAUL MARTIN

## The British way on skis

HORSE-RIDING and skiing are two sports with one thing in common—someone else does all the hard work. In the first case it is the horse and the second the mountain. This basic truth makes me feel that the skier has somehow received a raw deal. For despite co-operating so whole-heartedly with gravitational laws he is forced to contribute a disproportionate amount of his own muscle-power and required to invest in a range of complex equipment.

For the last month I have been the representative of the Ski Club of Great Britain in Courchevel, France, where my main job was to take club members skiing daily. In that time I must have skied with between 80 and 100 people and can report that while the British skier no longer dominates the Alps—as in the early days of the century—he still contributes an individual presence.

Faults first. It is no longer possible to pick out the British on the slopes—as it was 10 years ago—by clothing better suited to an Arctic expedition. Most British are indistinguishable from their continental counterparts in smart salopettes and matching anoraks. However, one item of out-dated equipment—leather boots—is lingering among a certain breed of long-established skier. Modern top-flight plastic boots can transform anyone's skiing.

Because of their rigidity the wearer gets far greater control over his skis than possible with the more pliable leather boots. Yet many British—with an element of reverse snobbery—insist on retaining their old boots sacrificing a great deal of pleasure and, incidentally, any hope of handling powder by the modern leaning-back technique, which requires rigid support behind the calves.

Another common fault is not to clip up the plastic boots tight enough, thus throwing away their main advantage. Clipping up boots is almost as exhausting as skiing a run, and many women, if not most, need help to get them sufficiently tight.

Overlong sticks are another common problem. Several people who came with me could not ski properly because every time they placed their stick to turn round, it would jerk up their shoulder into a wrong and unstable position.

On the plus side the British are among the keenest off-piste skiers. Whenever I have taken a group skiing in some remote spot, through a forest or under a cable car, the other skiers one occasionally came across have nearly always been British.

And while the continental off-pisteurs are usually exceptionally good skiers, even quite mediocre British skiers will go off-piste and, more importantly, enjoy it. The normal continental skier will leave a track behind him in the fresh powder like a corkscrew or serpent's tail. When a British group has travelled down a powder slope it looks as if giant spiders have crawled all over it.

DAVID FREUD

# How to spend it by Lucia van der Post

## On the right wavelength

I DO not know what image a microwave cooker conjures up for you but for me that image is very different from the sort of kitchen and cooking that fires my imagination. In my mind's eye the truly welcoming kitchen has a great old cooking range and there are mounds of fresh ingredients piled in artlessly simple bowls, with wooden spoons and earthenware casseroles much in evidence. Chrome and steel and glass don't figure very highly in this emotive vision.

However, my dream of the ideal kitchen is one based on an older, more home-centred way of life, when women seemed more disposed to spend hours chopping, stirring, braising and tending, and when the word microwave was so much mumbo-jumbo.

However, for the last couple of months or so I've been experimenting with the Toshiba, the first domestic microwave cooker to come on the market, and now that the time has come to give it back I shall miss it greatly. I originally viewed it as a rather intrusive (although, heaven knows, it's small enough. Only 334mm (13¼ inches) by 520mm (20½ inches) by 429mm (16¾ inches) overall), complicated and superfluous piece of modern machinery.

The man who came to explain how it worked first managed to kindle my enthusiasm. My Austrian au pair girl and I were soon gasping at its little tricks. It boiled water in a *glass* in about a minute without cracking the glass. A large raw potato emerged soft and ready to eat in about 4 minutes. Scrambled eggs could be cooked in the bowl they were to be eaten on (no messy saucepans to wash afterwards!) in about 1½ minutes. A cup of hot chocolate could be prepared *in* the mug it was to be drunk from in about 2 minutes (again, no saucepan to be washed and much time to be saved). Meat straight from the freezer could be defrosted in a fraction of the normal time.

Within a couple of weeks it became a valued adjunct to my way of life. Because I work and have currently been without any help at all (daily woman ill, much loved au pair-girl forced to leave because her permit had run out) it has proved invaluable. We have a large freezer which is one of the back-bones of my way of life but if you suddenly run out of bread the fact that the freezer is stuffed full of bread is normally of no help whatsoever as a large loaf will take at least eight hours to thaw. With the microwave oven you can defrost the loaf in about 4 minutes (obviously depending upon its size and shape).

In fact I have found that the microwave oven is the perfect complement to the deep-freeze. Before all those trendy gourmets write to protest let me hasten to say that I quite agree with them that a trout freshly-caught and grilled over an open-fire is infinitely more delicious, ditto newly-picked peas, etc., but those unhappily are not the options usually open to me. For most of us most meals involve some sort of compromise between convenience, speed and deliciousness, the proportions all being juggled and sorted out in different degrees on different occasions.

I can only say that I have found that on many occasions the combination of freezer and microwave oven has enabled me to produce more plentiful and more delicious food than I would otherwise have been able to under the given circumstances.

"... and cook for two hundred milliseconds"

I have decided that I wouldn't like to cook entirely by microwave oven. The lack of crispness and browning that is inescapable when using a microwave oven is a distinct disadvantage. For me a combination of more traditional methods and the microwave seems to work best.

For instance, after a rather light main course the other day I decided we needed an apple crumble to help fill the hungry teenagers in my house. The apples were peeled, cored, sliced and cooked in the microwave in two goes of 3 minutes each (it is important to stir fairly frequently, because of the way the high-frequency waves which cook the food, work). The crumble topping (made in a flash in the Robot-Chef that I wrote about before Christmas) was added and cooked in the microwave oven for about 4 minutes. At the end of this time it was cooked but didn't have that lovely brown, crunchy look that an oven-cooked version would have had, so I put it into a high oven for a few minutes to brown while we ate our main course. Without the microwave, there would have been no pudding that night.

There are several ways in which I have found the microwave actually better than the conventional oven—primarily for re-heating. Re-heating in a normal oven dries the food and its container. In the microwave, because of the method of heating (a subject which I do not fully understand and defy anyone without a physics degree to understand) no drying-up occurs.

It has been marvellous to be able to be less precise about the deep-freeze—that is I've been able to leave my options open until nearer each meal-time and could decide almost at the last minute to have, say, soup from the deep-freeze because I knew I could defrost it in 10-15 minutes in the microwave and then reheat it conventionally. It is also marvellous to be able to bake potatoes in minutes rather than the minimum hour usually needed (and think of all the fuel this saves!).

It has been wonderful to be able to take butter straight from the fridge and have it ready for spreading after 20 seconds in the oven. I'll miss not being able to cook dried fruit instantaneously (no need to soak, just pour boiling water over, place in the oven for 1 minute, remove and leave to stand for five minutes).

There are some drawbacks, or perhaps a better word would be limitations. For instance, the internal dimensions of the version I have been testing are quite small—the total capacity is 0.55 cubic feet, it is 186 mm. high (7⅜ inches) by 313 mm. (13 inches) wide by 260 mm. (10¼ inches) deep. This means that I haven't always been able to defrost some of the large or strange-shaped joints that I have in the deep-freeze. I also discovered that it was very easy to over-do either the defrosting or the cooking—the golden rule seems to be to err on the side of under-doing things.

I think the major things that the microwave does not do well are roasts and casseroles. A roast chicken, for instance, emerges cooked but pallid and I don't find the suggested antidote to this (sprinkle with paprika) much of a substitute for lovely crisp golden skin. Similarly, things like a Provencale daube need, in my view, long slow hours for the flavours to mingle and penetrate and for the meat to become truly tender.

It is marvellous for things like stock and here it does save all those hours of cooking. You can simply put a large bowl of bone, vegetables and boiling water in the oven and within 10 minutes you will have a good quantity of well-flavoured stock.

It is also lovely for cooking fish as no smell permeates the house and where crispness is not important it comes into its own. The only danger here is to make sure you don't overcook the fish—when you first start, err on the side of under-cooking.

I am not a cake or pastry cook but I am told that it produces a wonderful chocolate cake—at the moment it is less successful with other cakes and pasties, simply because of the colouring problem. Pastry emerges cooked but unbrowned, cakes emerge cooked but pallid. However, Toshiba are almost sure they have a solution in Bird's golden raising powder which improves the colour enormously.

The cooker is fitted with a safety device so that it is impossible for the oven to work unless the door is shut—this means, of course, that children, or even foolish adults, can't burn themselves.

Food that has been put into plastic containers can be defrosted in the microwave in those same containers, whereas in a conventional oven they would, of course, melt. Food can be heated up on a plate, in a glass, on a saucer, or even, as the demonstrator proved dramatically, on a piece of paper. (I was so breathtaken I forgot to ask why I might need or want to).

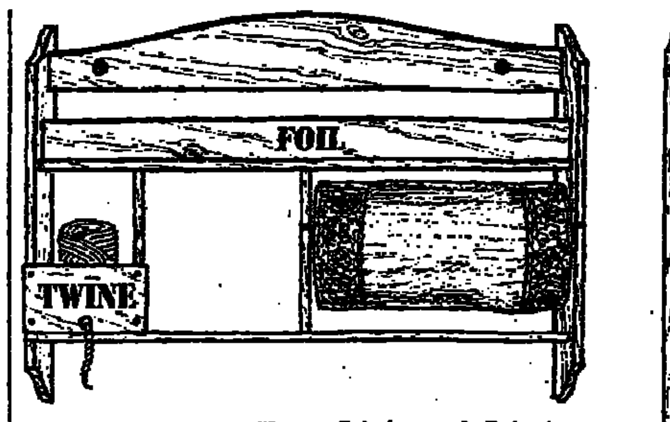
I don't feel I have yet explored the full potential of microwave cooking. I'm sure that if I were to have one permanently I would become more and more skilled at combining its speed and practicality with conventional cooking. What I am convinced of is that for people who are very busy, like to eat, are prepared to experiment and have the £199 that the Toshiba oven costs, it is a very worthwhile investment.

The Toshiba domestic microwave cooker is sold by most big stores like Harrods, the John Lewis group as well as by smaller electrical stores up and down the country. All the sales staff receive training in how the ovens work and how to use them and anybody who buys one can ask, if at all worried about it, for an *expert to come and show the way* to use it in the home.

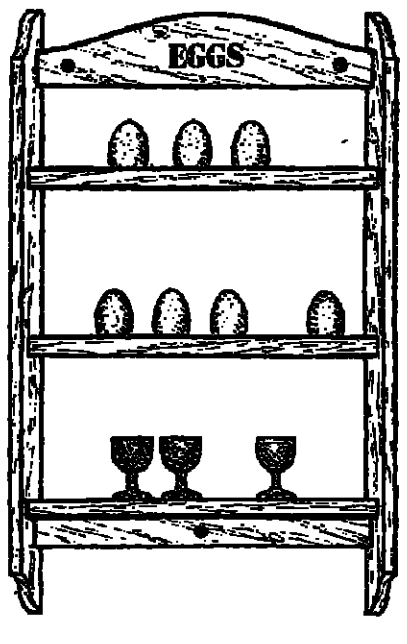
One of the drawbacks about microwave cookery is the lack of exciting cookery books. The Toshiba comes with its own booklet of basic recipes (for instance, the apple crumble, described, above, came from the booklet) but so far the best introduction to the subject is the newly-published "The Toshiba Book of Microwave Cookery" by Annemarie Rosier, published by Woodhead-Faulkner, of Cambridge, in association with Toshiba (U.K.) for 95p.

This not only explains exactly how the cooker works, what to do and what not to do but has a larger selection of more inspiring recipes. It is still a long way off Elizabeth David but it's a start and if you persevere you will begin to get the hang of how to combine the ordinary cooker and the microwave to achieve results as nearly similar as possible—in, of course, a fraction of the time.

**N.B.—In the U.S. one brand of pacemaker, never marketed abroad, has been associated with difficulties when worn near large, commercial microwave ovens. The danger is thought to be minimal but if you have one check with manufacturer, doctor and/or the Health and Safety Council before using microwave equipment.**









**Above: One of Harry Grimley and Robert Kellock's pine wood shelf sets. Designed to hold, ready for use, foil, twine and kitchen paper, it costs £6.50 and is 19½ inches by 14 inches. (Solution will post for 50p p+p.)**

**Right: Another pine shelf unit, this time with two shelves made to hold six eggs each, the other plain, 13½ inches by 20 inches. £4.50 (5p p+p).**

## Finding Solutions

THOSE OF us who work in the city will know by now that it's not an easy place to find a last-minute present — unless it is men's clothing or wine that you're after, you're likely to be fairly stuck in your own immediate area. Solution, which is the name of a charming shop at Bassishaw Highwalk, Basinghall Street, London, EC2V 5DS, could indeed be the solution for many a harassed businessman who's found he's forgotten a birthday or anniversary. And before all the out-of-London readers sigh and turn the page let me hasten to add that Solution is starting a *mail order service*.

If you think these are the sorts of thing you might want you should send a self-addressed stamped envelope and you will receive a colour leaflet and all prices so that you, too, can shop there. (This is the start, and just features some of the kitchen ware range.) If you order over £25 worth you qualify for a 15 per cent. discount.

Basically, Wally Morgan, who runs Solution, aims to make it a present shop but he has developed, mostly because of demands from his customers, a fairly strong kitchen department. For instance, he stocks and sells an extraordinarily well thought-out series of kitchen shelves designed by Harry Grimley and Robert Kellock.

The shelves are very simple, need to be put together by the buyer (but no screws or glue are needed, they just slot together) and they are quite amazingly cheap. To give you an example the two sets of shelves illustrated here: one designed to take two rows of six eggs together with one plain shelf; the other designed to hold foil, kitchen paper and string, cost £4.50 and £6.50 respectively.

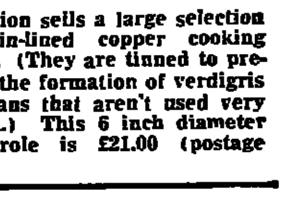
Made of pine they look nice but a little rough when made up and they could be much improved by simply sanding them down and putting on a coat of clear polyurethane varnish. They are an immensely practical way of storing the sort *of things that normally toss untidily* about in drawers.

Apart from the shelves and the standard but attractive storage jars, white porcelain flan dishes, strainers and the like Wally Morgan aims to stock a really large selection of fine copper tin-lined cookware—he's even sold the really large fish kettle at over £100 (as Wally Morgan says, "a once-in-a-lifetime investment"). Saucepans now do fall into the investment class, so expensive are they, but these really do last a life-time and Wally Morgan runs a re-tinning, repairing service. The small casserole illustrated here is six inches in diameter (2 pints capacity) and is £21.00.

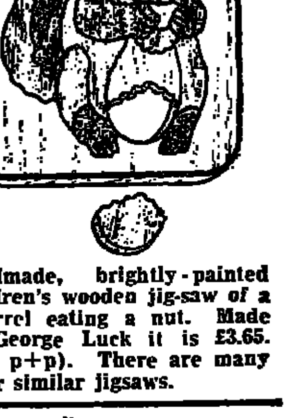
Still on the kitchen side you can also buy at Solution a wide range of fascinating spices, in particular a splendid range of eastern spices called Bart Spices. Started by Reg Bartlam, who seems to have discovered this gap in the market by accident, Bart Spices specialise in selling whole spices (like peppercorns, mace, cloves, cinnamon and so on) instead of those curious dust-like substances that masquerade as herbs. The Eastern spices Reg Bartlam describes as "having nothing to do with breaking into a muck sweat and drinking pints of ale and much more to do with aromatics." The spices aren't ground completely into powder but include smallish whole pieces of some of the ingredients which mean they still retain their natural oils and their flavour. There are four specially blended curry spice mixtures, Garam Masala, Vindaloo, Tandoori, Roghan Josh, and they all cost 65p each (35p p+p per order). He also sells Basmati rice (the only rice, he says, to go with curry), spiced poppadums and plain poppadums.

Wally Morgan will sell these by mail but they are too small and too many to list. City visitors might like to go along to Solution and browse. Away from the kitchen, Wally Morgan has lots of lovely children's toys, including beautiful hand-made and painted wooden puzzles, by George Luck.

There's also some very attractive modern jewellery of which *I liked in particular the enamelled* silver pendant by Norman Grant, sketched below right.



**Solution sells a large selection of tin-lined copper cooking pans. (They are tinned to prevent the formation of verdigris on pans that aren't used very often.) This 6 inch diameter casserole is £21.00 (postage 50p).**



**Handmade, brightly-painted children's wooden jig-saw of a squirrel eating a nut. Made by George Luck it is £3.65. (50p p+p). There are many other similar jigsaws.**

**Handmade enamelled pendant *featuring a house, blue skies,* trees and garden. By Norman Grant it is £17.75 to order.**

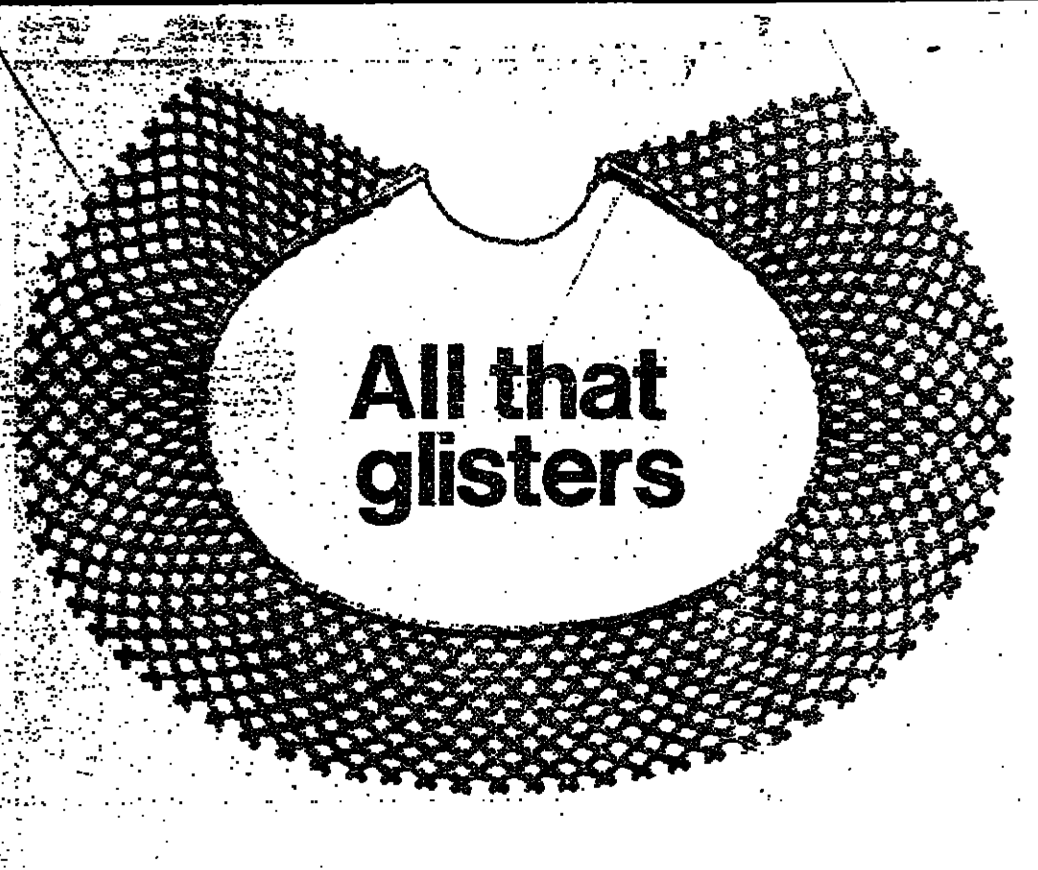
## Remember the 14th

HERE ARE a few last-minute Valentine ideas. Bronnley soaps have just produced a charming little pack of 2 tablets of heart-shaped soaps. One is pale pink, the other pale blue and the fragrances are Rose Geranium and Lavender. Bronnley suggest them as a present for Mother's Day but they'd be equally suitable for anybody wanting something small and nice for Valentine's Day. They're widely available and cost just 99p for the two.

The chocolate shops are awash with heart-shaped boxes and my recommendation to anybody going to buy such a thing would be to buy the hand-made chocolates—once having eaten beautiful dark hand-made chocolates nothing ordinary and factory-produced tastes the same. Clare Chocolates of 3 Park Road, Baker Street, London, NW1 and 163 George Street, London, W1, and Charbonnel et Walker who are at 28 Old Bond Street, London W1X 4BT, both produce meltingly delicious hand-made chocolates. Both sell them in heart-shaped boxes and will spell out messages. Prices start at £3.75 for a ½lb box.



## All that glisters



THE MOST worthwhile way of shopping, the "buys" that give the most pleasure, involve, in my opinion, a deep level of participation on the part of the buyer. That is to say, it is easy and convenient to go into a shop and buy off the shelf but to find one's own artist or jeweller, select him or her from hundreds of others, and either buy a ready-made piece or commission a special one-off piece seems to me infinitely more rewarding.

For all those who think they might need or want to buy something special in this way three exhibitions open at Goldsmiths Hall, Foster Lane, London EC2V 6BN, on St. Valentine's Day. At none of these exhibitions can you buy off the open shelf but at all of them you can look, learn, and, if you fall in love with the work of a particular jeweller or craftsman, you can seek him out and either commission an identical piece or ask him to make something special for you.

Fortunately for those who do not live in London there are other organisations besides the Goldsmiths' Hall which have enterprise and initiative in promoting and stimulating good work and high among these is the East Midlands Arts association which has put together Metal Jewellery and Mineral Jewellery.

Both these exhibitions have been touring all over Britain during the last year; both open at Goldsmiths' Hall on Tuesday and are on until March 3. After that Mineral Jewellery goes to Birmingham City Museum and Art Gallery in March, then on to Kettering and Sheffield, while Metal rests for March and in April goes on to Sheffield.

These two exhibitions have been organised to show jewellery unified by material rather than by date, origin or style. Both show work from museums, old and new, as well as contemporary work from contemporary jewellers, all of whose names and addresses are listed at the back of the catalogues and therefore all of whom can be contacted.

The catalogues are excellent, modestly but not lavishly illustrated, but full of everything that one needs to know about the materials and the designs they link. Anybody seriously interested in jewellery should invest in a copy of each. They are only 50p each and are in limited supply so hurry along if you want one.

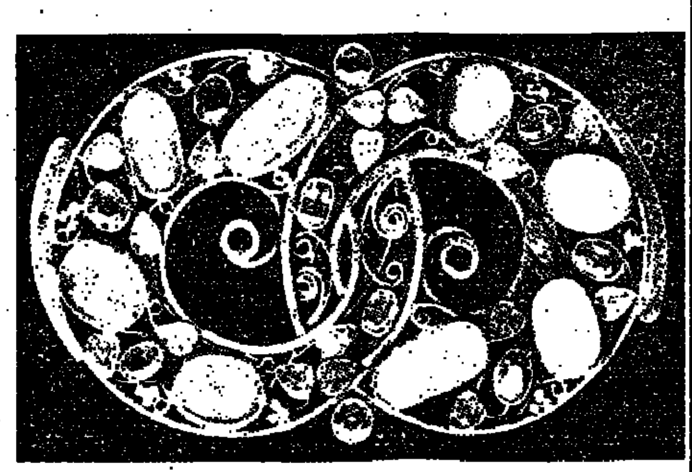
Passing Out is the third exhibition opening at Goldsmiths' Hall on St. Valentine's day and this is a collection of the work of students from all over Britain who graduated from art schools at the end of last year. It's a fascinating display, holds out much hope for the future and though you are unlikely to be able to buy the precise piece on show (students tend to put their hearts and souls into their diploma work) almost any or all of them would be delighted to produce something almost identical for you. Their names and colleges of art, and in some cases, private addresses, are all listed so that you can track down the jewellery or silversmith of your choice. The range of items extends from coffee pots to ear-rings, from a marvellous, bulbous silver tray, to spare exercises in stainless steel. It's an unequalled opportunity to see a wide range of work from the length and breadth of Britain. Challenging too—see if you can spot the Wendy Ramshaws, the John Donalds of the future.

**ABOVE**

*From Metal Jewellery a woven silver wire collar by Wally Gilbert, 1976.*

**LEFT**

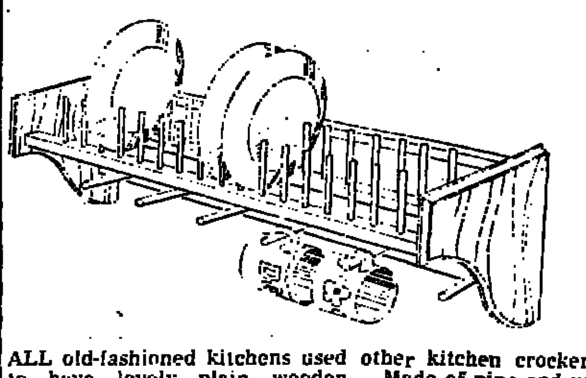
*From Passing Out, an exhibition of work by students who graduated from arts colleges last year, a Niobium necklace by Susan Clarke of the Central School of Art. Niobium is a rare metal that assumes exotic colours under heat so this necklace refracts greens, pinks, blue. . . .*

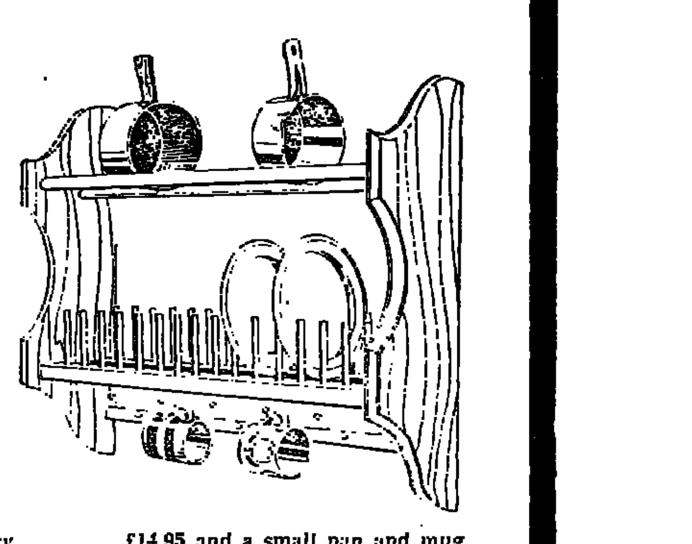


**RIGHT**

*From Mineral Jewellery, an exhibition of jewellery based on minerals ranging from andalusite, through diamonds and emeralds, rhodocrosite and rubies, to zircons and zoizites. This brooch of moonstones, sapphires and blue enamel is by George Hunt (who worked in the 1920s) and is from the Victoria and Albert Museum.*

## On the shelf





ALL old-fashioned kitchens used to have lovely plain wooden draining racks—a very handy device for those who don't have dishwashers. Peter Sylvester has discovered that his own range of kitchen shelves, some of which are based on this old-fashioned idea, is proving very successful in modern kitchens as they provide a gentle, untechnological look that people seem to yearn for at the moment, as well as actually performing a useful function.

We all of us need shelves to store things and that's basically what Peter Sylvester's shelves do—they store, and sometimes drain as well, plates, mugs, and other kitchen crockery.

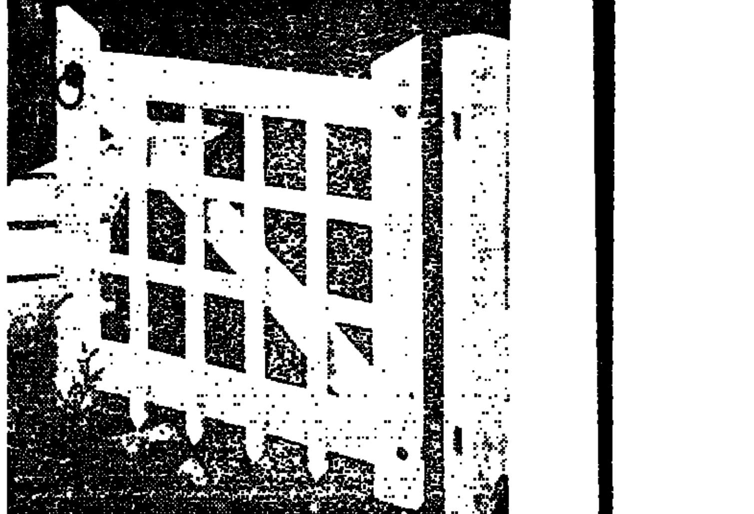
Made of pine and unvarnished, as seems to me appropriate for draining racks, they are very nicely finished. There is quite a large variety of sizes and combinations. The two shown here are a small plate and mug rack, (about 25 inches wide) £9.95, and a rack for storing plates, mugs and pans (about 25 by 25 inches) for £14.95.

Besides these there is a large pan rack and a large plate rack but these have proved less popular and will only be on sale as long as current stocks last. Continuing on sale will be a double-decker pan rack for £12.95, a double-decker plate rack for £14.95 and a small pan and mug rack for £8.95.

If you happen to want plain shelving Peter Sylvester sells that, too, in sizes varying from 24 inches by 18 inches to 30 inches by 30 inches and at prices ranging from £12.45 to £14.95.

The shelves are sold by mail order from The Kitchen Shop, 4, Station Parade, Burlington Lane, London, W.4, and an illustrated leaflet can be sent in return for a self-addressed stamped envelope. If you actually want to see the shelves they are on show at The Kitchen Shop, 264, Upper Richmond Road West, East Sheen, London, S.W.14.

## Making an entrance



WE HAPPEN to need a new garden gate. It has been wobbling, difficult both to open and close ever since we moved into our present house three years ago and it's only been the size of the various quotes we've had for improving matters that has prevented us from doing anything about it.

Heaven knows, it's caused us endless inconvenience. You can't open it if you happen to have your arms full of parcels or shopping (as mine almost always are). It can only be closed by pushing and lifting at the same time and through it our dog disappeared when we lost him for a fortnight some weeks ago.

So you can see why a firm called British Gates & Timber Limited who specialise in timber gates of all sorts caught my eye. Two things in particular riveted my attention—one was the attractiveness of the designs and the other was the price.

To start with the designs—they are exceedingly simple in a rather countrified way but in a way that seems appropriate, functional and attractive. Most of their gates are suitable for farms, large entrances and the like and most are now made from European Redwood, either Creosoted or Celcurized (the latter are better finished and for those who would like them to be, can be painted).

They can alternatively be made from Keruing, which is a strong, durable and resilient wood from Malaya, which is almost without knots but which cannot easily be painted.

There's a good range of widths, from 3 feet up to 11 feet 9½ inches and combinations of these can give overall widths of nearly 24 feet.

To illustrate how good I think their prices are—we have been quoted anything from £70 to £120 for a new gate for our house while the size we would need from British Gates and Timber costs £22.50. They also sell a full range of all the gate fittings, bolts, posts and so on. If you're interested write to them at British Gates & Timber, Biddenden, Kent, for a leaflet and prices. They'll also welcome telephone inquiries on Biddenden 291555.

# The Arts

Felicity Lott and Allen Cathcart

## The Bartered Bride

BY RONALD CRICHTON

Smetana's *Bartered Bride* was popular in Britain in the unregenerate days when Janacek's operas were unknown. Now that Janacek has been accepted as a great master (though not even yet, it seems, by a dependably large public) and that Smetana's own *Dalibor* is in the ENO repertory, the opera which virtually founded the Czech nationalist school has been overlooked. Many in the large audience for Scottish Opera's new production of the work in the Theatre Royal, Glasgow, on Wednesday may never have seen the *Bride* in a professional performance.

There need be no fear that Smetana's anxious, mystified Marenka will disappear for long. He wrote this opera at a time when he was a skilful and experienced enough composer to cope with the brimming *reservoir of* popular and patriotic musical material. The libretto was a weak vessel, but the mixture of personal predicament and village background, however feebly expressed, was more or less right. For this revival David Pountney and Leonard Hancock have made a workable new translation—the insane amount of repetition is not their fault. David Pountney also produces. He keeps the balance between the course of true love-in-a-village and the fairground incidents pretty well, though without such capable performances of the lovers Marenka and Jenik, one feels that the fun of the fair might steal the show from the more serious side.

Sue Blane has set the opera on a curving wooden ramp backed by rolling hills with ripening corn against a sky yellow with the sultry heat of middle-European summer. In the opening scenes, Maria Bjornson's costumes threaten an overdose of be-ribboned merry peasantry (since the action takes place on a public holiday there is reason for this) but later she doses the Bohemian finery with more sober garments. The total effect, with the gaudy circus costumes, is good. The ramp, however, exposes the Achilles heel of this pleasant theatre—a dead spot for voices something more than half-way back, which for singing purposes needs to be avoided.

Felicity Lott's Marenka has a kind of high-mettled independence which doesn't imply either daily contact with the soil or peasant stubbornness. All the same, this is a lovely performance to watch and to

### Opera

hear. Some of Miss Lott's soft phrases keep the audience holding its breath. Her singing of the act 3 aria which is the turning point of the opera is not unworthy of comparison with the memorable recording by Jurinac—but Miss Lott should beware the dead spot and move forward. Allen Cathcart as Jenik does not have the same vocal finesse, but he gives a sturdy, likeable portrait of a character who needs to be more than a mouthpiece for melody.

Vasek, Jenik's half-brother, to whom Marenka is in danger of being wedded, is played by Alexander Oliver as a fat baby of a man alternately spoiled and bullied by his odious mother (Judith Pierce makes it perfectly clear why Jenik ran away from home). Mr. Oliver is as good as one would expect, not least in the virtuosity with which he rings the changes on the booby's stammerings. William McCue and his producer take an indulgent view of the Marriage-broker Kecal, who would happily bind an unsuitable young couple in wedlock for a fistful of coins. But Mr. McCue's solo is an exemplary instance of tone no longer weighty carried on the words. The small parts are adequate. Marie Slorach's Esmeralda catches the ear as well as the eye. The circus includes an acrobat, a juggler and other entertainers.

Peter Darrell's choreography for the Furiant, Polka and so on cleverly integrates the dances into the action, but the execution falls short of the physical gusto which Central European dancers bring to these rhythms. Roderick Brydon gave a decent, not yet fully relaxed account of a score in which there isn't a dull number. The playing was fair: good strings (the semi-quaver bustle in the Overture cleanly played with real notes), moderate wind and brass. The simple trumpet-call in the circus music was burbled, the lovely oboe commentary in Marenka's big aria was only just audible above the rest. In that same third act producer and conductor allowed the episode of Vasek's engagement at the circus to drag dangerously.

The circus is merrily resumed for a few minutes after the first curtain calls. Very nice too—but does one sense some over-anxiety to reassure the public that opera is all jolly fun and not an exclusive elitist pastime? These misgivings apart, Mr. Pountney's entertainments, as they were in *Die Meistersinger* and to a lesser extent in *The Golden Cockerel*, are arranged and carried out with a great deal of skill.

## Brecht in Brussels

BY OSSIA TRILLING

The Belgian National Theatre's *Threepenny Opera* is noteworthy. The manager, Jacques Huisman, has brought home to direct it the talented Belgian Henri Ronse, who has been earning a reputation as the youngest *enfant terrible* of the Paris stage. Monsieur Ronse has had Frantz Salieri, the Parisian creator of *La Grande Eugène*, to come to Brussels to design it for him.

An overhaul of the old Brecht-Weill classic was long overdue. The team of Ronse-Salieri, plus Ilona Illes, who arranged the important new choreography for the brothel inmates, hit upon the splendid idea of transposing the action to a seedy red-light district of twenties Berlin.

It therefore seemed perfectly logical and natural to lard the ambiance, and especially the brothel scenes with layers of transvestism and sexual deviation. André Lermigneau conducts the nine on-stage musicians, who give us the authentic Weill score, and in addition to the principals Ronse makes skilful use of a further 15 players *and dancers, including one amazing* rubber-limbed American black dancer who looks as though he were born to perform in nothing but drag, and whose physical vitality as he spins around on the stage appears to be totally inexhaustible.

Ronse had another brilliant idea, that of making Mackie the Knife into a very young, studious-looking intellectual, a forerunner of the urban-guerilla idol of later years, who pits his wits against the corrupt establishment. The

### Theatre

bespectacled, gangling Philippe Geluck has all the wan looks and nervous energy for the part. Colette Emmanuelle sings enticingly as the red-bewigged Jenny, who removes her wig to reveal an Eton crop at the final curtain, when all the players doff their stage attire to show themselves as they really are. Before that the stage has been alive with a kaleidoscopic panorama of garish colours, dazzling lights and moving scenery, all animated by a frenzied cast

## Theatres this week

WAREHOUSE—*A Miserable and Lonely Death*. Impressive dramatised reading of the proceedings at Steve Biko's inquest. Reviewed Monday/Tuesday.
YOUNG VIC—*Seduced*. The Black Theatre of Brixton in a social comedy that is British with a West Indian accent. Reviewed Tuesday/Wednesday.
MAY FAIR—*The Elocution of Benjamin Franklin*. Brilliant one-man performance in an Australian play dealing with *difficult problems*. *Not to be* missed. Reviewed Wednesday/Thursday.
SOHO POLY — *Media Hack*. Agreeable nonsense about the incursion of terrorists into a domestic row. Lunchtime. Reviewed Tuesday/Wednesday.
PICCADILLY — *Privates on Parade*. Welcome revival of Peter Nichols's musical farce about Services' entertainment in Singapore in 1948, with marvellous work by Denis Quilley and Nigel Hawthorne. Reviewed Thursday/Friday.
OLD VIC—*Saint Joan*. Another welcome revival. Prospect's *Saint Joan* with Eileen Atkins as the Maid. Reviewed Friday finals.

## . . . and next

Monday, the Theatre Upstairs adds an 18-year-old girl playwright to its list of discoveries in *In the Blood*. Tuesday, the National's *Cherry Orchard* in the Olivier and a home-counties *Hamlet* at Farnham. Wednesday, the return of Arnold Wesker in a new piece, *Love Letters on Blue Paper* at the Cottesloe: a new piece by Royce Ryton, *The Unvarnished Truth*, at Cambridge. Thursday, Annette Crosbie in *The Corn is Green* at Guildford.

## O'Neill and Orage

BY ANTHONY CURTIS

It seemed most appropriate that the World Drama production of Eugene O'Neill's *A Moon for the Misbegotten* (Radio 3, February 5) should have been preceded by a recording of last year's *Lohengrin* from Covent Garden. If Wagner has a counterpart *among playwrights it is* O'Neill. Both were possessed of stupendous self-confidence and revived legends to show people struggling heroically but hopelessly with forces more powerful than themselves. This rarely performed play lasting for two and a-half hours is certainly of Wagnerian proportions, although the plot is more in line with *Tristan* than *Lohengrin*. As so often in O'Neill, the main characters are Irish immigrants to America who live in their own splendid talkative isolation while tilling the soil of Connecticut in the early 1920s.

It is the daughter of this household, *Josie*, a *militant*, passionate woman — a fine role for a soprano, if ever there was one, spoken here by Sarah Badel — who keeps it together. Her brothers have abandoned the place, unable to endure the petty tyrannies of their father (Nigel Stock); the last of the boys, the God-fearing Mike (Eric Allan) is indeed leaving, abetted by his sister, on the very morning the play begins.

After that it is all arias and duets between father and daughter, daughter and landlord, daughter and prospective lover, plus one swingeing three-some between the father and the daughter ganging up against a rich guy from Standard Oil called Harder (Blain Fairman) who wants to take over the property of which they are the tenant farmers.

This insistence by the playwright upon lengthy duologues is ideal in one respect for radio: no confusion about who is speaking; the producer, Martin Jenkins, was free to plant his characters' voices in different stereo-speakers and to give a very precise impression of movement *when required*. Such long unbroken exchanges are a great test of the capacity of the performers.

### Radio

They survived it splendidly, sustaining the Oirish brogue in a remarkable sequence of scenes in which beneath the eloquence, fury and tenderness alternated alarmingly. The most powerful scene was a kind of all-night Liebestod between Josie and the alcoholic guilt-scarred Irish playboy landlord Jime Tyrone (Ian Hendry), who covets her; this scene spills over from the end of the second act and occupies the whole of the third, requiring the pair to come from the depths of drunkenness to the heights of a great self-denying romantic passion. Mr. Jenkins must surely have been proud of the manner in which *those heights were scaled* by Miss Badel and Mr. Hendry.

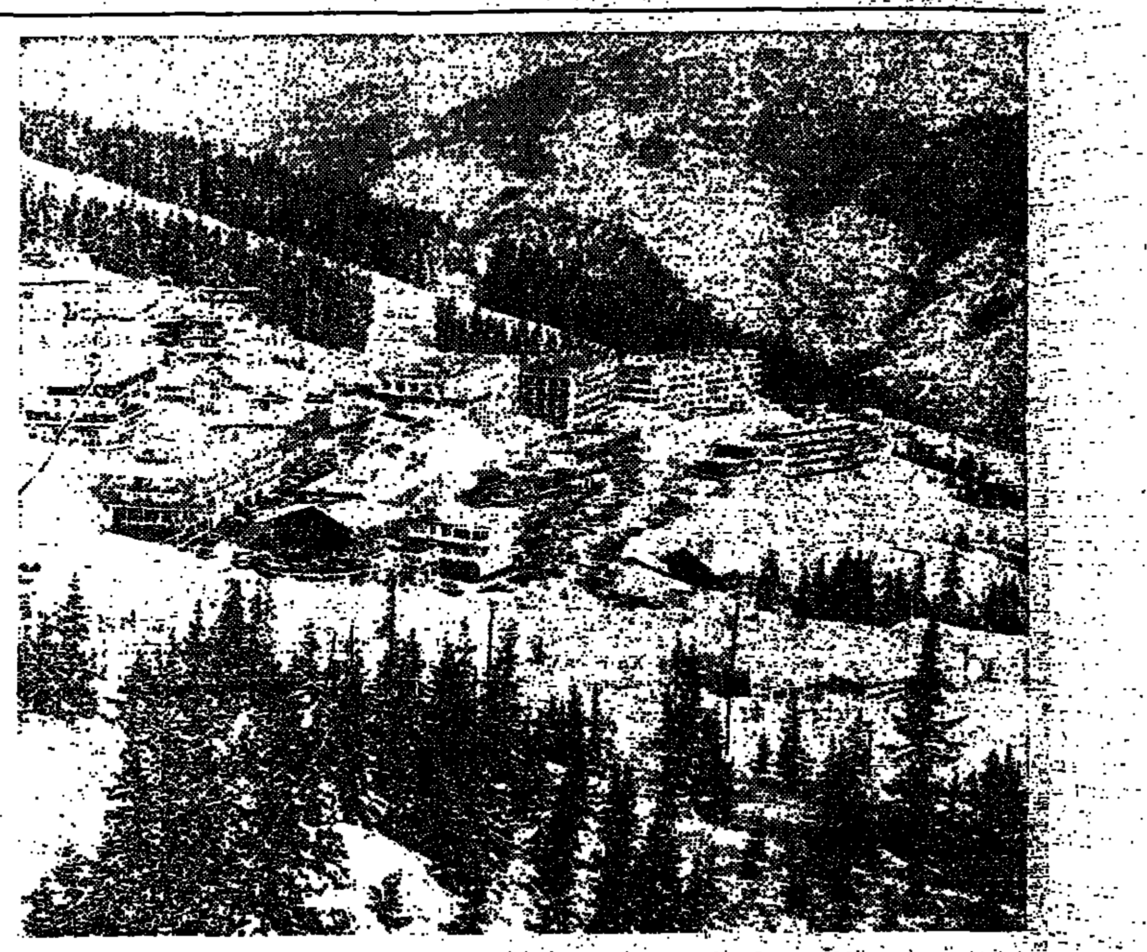
Editors of intellectual journals do not normally carve out a niche for themselves in the history of thought. They tend to be forgotten with the demise of the journals they edited. A. R. Orage, an Englishman of humble *Hunstanton stock, editor of the* New Age, which flourished before and during the first world war, was an exception. More and more he is coming to be recognised as one of the great educators of the twentieth century. It was in the New Age that Nietzche, Freud, imagism were all first discussed in England; it was in the New Age that Arnold Bennett recommended a publisher to get hold of the novels of Dostoevski and have them translated into English. It was in the New Age that Katherine Mansfield developed her gifts as a short-story writer and that a host of poets from Pound to Edwin Muir first made their mark. The character of the remarkable man who edited it was caught by Lesley Montgomery in her radio portrait of him *The Eye of the Storm* (Radio 3, February 7). This was done with many apt quotations from the New Age (read a little too actorishly for my taste) and a look at Orage's strange latter years when he became a disciple of Gurdjieff.

Miss Montgomery's own memories as a girl of Orage's ideas filtering through the drawing-room at home among friends of her father's such as Philip Mairet and Denis Saurat added a neat dash of real life to her rewarding quest.

Even so she did not quite give us the whole of Orage (Bernard Shaw always insisted on pronouncing the name Orridge but everyone else said it as if it were French): nothing much for instance about his relations with that early women's libber, Beatrice Hastings, who herself wrote acres of the New Age under various aliases, sometimes engaging herself in correspondence. *However, Orage will blow* again in a fascinating book *Lives and Letters* by John Carswell to be published by Faber in about ten days time and where full justice is done to him at last.

### Property

## A place on the piste



Courchevel—centre of the largest skiing area in the world.

THE MOST dangerous place to ski in the French resort of Courchevel is on the road. Not so much because of the cars, but because President Giscard d'Estaing is a frequent visitor and brings with him a contingent of security police. These bored individuals have little better to do than book errant skiers.

There are compensations. Brigitte Bardot is said to have a chalet in the neighbouring village of Meribel (on the same lift pass). And for those who prefer to do their skiing in company with royalty, I can report that for a day or two last month it was possible to share a slope with the Duke of Kent.

Courchevel is very, very chic. But more than that, it claims to be the best winter resort, not only in France, but in the world. And there are few rivals that could even begin to dispute that title.

*After 30 years, development* is coming to a halt. There are now 27,000 beds in Courchevel, making it the biggest winter station in France, and it is feared that any further expansion would be beyond the capacity of the slopes. A 127-studio apartment block to be completed this year is likely to represent the last opportunity to buy new property for many years.

Courchevel lies in Savoie about three and a half hours from Geneva above the same valley, the Tarentaise, which has Val d'Isere and Tignes at its head. It is linked with four other villages to form the Three Valleys, the biggest skiable area in the world.

One lift pass opens up no less than 250 miles of marked piste served by 132 ski lifts. A circuit *from Courchevel to the most re*mote village, Val Thorens, and back is 50 miles. As well as the marked runs, the open and safe slopes for off-piste powder skiing are more extensive than in any other resort I have seen.

Courchevel was the first of the purpose-built French resorts. It consists of four separate villages at 1300 metres, 1550m., 1650m., and 1850m. The main resort is the highest, 1850m., with the others acting as satellites.

Work on the top village began in 1947, the first time a winter resort was built from scratch on a barren mountain site. It was the precursor and model for the so-called third-generation resorts of the 1960s and early 70s like Flaine, Les Arcs, Le Plagne, Avoriaz, Isola 2000 and Tignes.

In terms of skiing there was *little room for the newer* purpose-built resorts to make improvements on Courchevel. It is possible to ski from the door of one's hotel or chalet in Courchevel in the morning and back again at night, just as in the new stations. However, it is more spread out than the later resorts, which means that often a lot of walking is required for an evening out.

The site of the Courchevel Valley, and the others which make up the Three Valleys, is superb. Ironically the first person to recognise the potential was an Englishman, Sir Arnold Lunn, inventor of the slalom. After an expedition to the Savoie in 1925 he said of the three valleys that "despite different characteristics, they are admirably suited for the *creation of large resorts*. The slopes are magnificent, well exposed and the danger of avalanche is small, easily foreseen and, therefore, easily foreseen and, therefore, easily countered."

Courchevel itself offers a huge area of gentle slopes for beginners and intermediates, and equally good facilities for better skiers. Especially impressive over the last four weeks, when more snow fell than for many years, was the relative absence of avalanche danger, confirming Arnold Lunn's findings. Through the worst of the falls, Corchevel was able to keep one peak, La Loze, open, containing a variety of interesting runs, from easy to an Olympic downhill course, the Jean Blanc, as well as off-piste possibilities. Many resorts in the Tarentaise were far more *constricted*.

Courchevel is also well prepared for the opposite extreme of poor snowfalls—as was the position over the Christmas period. Every summer the main pistes are regrassed and all rocks—down to pebble size—are removed. This means that runs are still skiable when covered by only 3 cms of snow. Last year more than £300,000 was spent on summer piste work.

In summer too, explosives are planted in the more avalanche-prone slopes of La Saulire, *ready for triggering* through the winter season when dangerous amounts of snow have accumulated. It is noticeable how quickly the resort is able to open up its full skiing potential *after* heavy snowfalls.

Safety statistics are a crowd puller in France, and Courchevel *takes care to ensure that they* are impressive. Last year there were only 265 accidents, half of them breaks, over a 15-week period when an estimated 400,000 people skied on the slopes.

Courchevel spends about £350,000 each winter on piste maintenance and patrol and has some of the widest and best-manicured skiing surfaces to be seen anywhere. Its 550 hectares of daily maintained piste is the largest in France. Following the recent appointment of the Courchevel technical director to the equivalent Three Valleys post, similar standards will gradually be applied in the four neighbouring resorts as well.

The resort makes more money in winter than any other in France. Last year the income *from lifts in 1850, 1550 and* 1300 totalled more than £4m. It now has 64 hotels with 2,1000 beds, and 27,000 beds in all. The capacity of the lift system is 45,000 skiers an hour and there are 400 ski instructors.

In the last 12 years the resort has become increasingly popular with foreigners, who now make up about 30 per cent. of visitors. Germans and Belgians form the bulk of this total.

However, development of the resort has all but come to an end. M. Frederic Pion, the tourist director, said, "We have reached the maximum capacity of our slopes and we do not intend to allow them to be overcrowded." While about 20 more lifts are planned; these will all be for access to existing slopes. M. Pion estimates there is room for another 1,000 *hotel beds, to be provided in* four hotels which will be built over the next two or three years.

The apartment block, which will be completed by Christmas, is above the main 1850 centre in a wooded area called the Jardin Alpin. Prices, at £1,000 a square metre, are high due to the fact that the block represents virtually the last chance to buy new property in Courchevel.

The site, overlooking the resort and by a wooded lake, possesses great natural beauty in both summer and winter. The block is attached to a conference centre which is scheduled for completion by the end of the month.

Something of a story attaches to the conference centre itself, which is the brainchild of M. Gilles de la Rocque, director of the resort. He formed in 1970 the International Foundation for Cultural Co-operation and Development after seeing diplomats and other influential foreign visitors exchanging views in a relaxed and informal way at the bottom of ski runs. He has even seen Arab and Israeli Government officials make relaxed contact in this way and Chinese chatting to Russians.

M. de la Rocque decided that the atmosphere of the high mountains was conducive to constructive debate. The first step was to find the £1.35m. required to build the magnificent conference centre. With the fund-raising behind him, he is now forming committees in more than 20 countries to build up an international programme. The French and U.S. committees have already been formed and others are near completion including one in the U.K. The first major conference—on energy—will take place next January, organised by the U.S. Senator Charles Percy.

The close proximity of the conference centre will be attractive to buyers of the apartments in the new block for economic reasons as well as aesthetic ones. The block is being sold as a Residence-Hotel, which means that buyers will be able to make an income from their studios when they are not using them by renting them out as hotel rooms.

The block has been designed by the same architects who were responsible for Avoriaz and will feature wood predominantly both inside and out. The average size of each studio is 35 square metres, with prices ranging from Ffrs25,000 to Ffrs. 30,000 (£26,000-£31,500).

Purchasers are obliged to put their studio at the disposal of the hotel for five weeks of their own choice in winter and two weeks in summer. The revenue from this amounts to Ffrs11,550 (£1,200) annually. Renting out through the hotel during the rest of the year could bring in up to a further £500.

The purchaser has other advantages through this deal. All annual charges are paid for him, including heating and insurance, he receives room and hotel reception service, free access to the swimming pool and reduced rates in the restaurant and bar.

Since sales started last month 40 of the 127 studios have already been sold. Finance is available from the French Bank de Construction et de Travaux Publique at 70 per cent. of the total furnished price for nationals and 50 per cent. for foreigners. The mortgages are for 15 years at interest rates of 14-15 per cent. The effective dollar premium rate is currently about 32 per cent.

Further enquiries should be addressed to Residence Hotel du Jardin Alpin, Bureau de Vente, Chalet de La Loze, Courchevel 1850, Savoie 73120, France.

DAVID FREUD

# Collecting

## .ight from an old album

JANET MARSH

J COULD FIND no better isure of the growth in appre- ion of English drawings and acature than the story of Dighton Album. Some time ınd 1830 the family of the ous eighteenth century lisher Carington Bowles nd up in an album a dred or so drawings which les had commissioned forty fifty years earlier from the st Robert Dighton. The ım stayed in the family for next century or so, until it offered for sale at Sotheby's April 20, 1953.

was knocked down to the t sellers Sabin for £720, and day sold to a Mr. Jeffrey : for £900. Mr. Rose died ntly, and the album, now up into separate drawings, mounted on the wove paper s of the album, returns to eby's on February 23. Even : of the more modest indi- al drawings are likely to se as much as the whole m made 25 years ago. The e 97 lots will realise, at most conservative estimate, ırds of £50,000.

ıe collection is important use it sheds entirely new on Robert Dighton, an guing but somewhat erious figure. The principal ence of Dighton's work in 1780s and 1790s has ;rto been the coloured otints after these same rcolours, published by ıgton Bowles and his suc- rs; but the coarse outlines ›rash colours of the printed ons give little idea of the ty and skill of the originals. collection as a whole, with original freshness of the :rs protected by conserva- in the album are in every a revelation of eighteenth ıry water colour technique. ;hton was by and large a kindlier caricaturist than ontemporaries Rowlandson Gillray, which may explain he has tended to be less ded. His favourite subjects the life of the London ts, the characters, soldiers, 's, harlots and priests, ıers and tailors. Even in 780s lady drivers were fair for the humorist, and one e most delightful drawings s a professional instructor ing a lady to drive a ıge, to the grave peril of Hammersmith pedestrians. itical events as well as quirks engage him: there wo different pictures of Margaret Nicholson's pt to assassinate George and a curious, touching, valent view of refugees the French Revolution on Dover Road.

n in Dighton's country s. London—St. Pauls and Wren spires—can generally limpsed in the distance. gh there is a charming of scenes of rural sports, ı in the 1790s, Dighton re- :d a Londoner, happiest ng the streets and squares bridges, Newgate Prison ;agnigge Wells. He and his were for a period associa- ith the theatre as actors; number of his drawings to be inspired by the of his friend the com- Charles Dibdin.

: collection ends in 1796. is time Carington Bowles lead, and Dighton clearly hat the mezzotint carica- ıad had its day. He studied ıster and more immediate que of etching—with all ıuch diligence, since he cted some old master etch- rom the British Museum's collection. in one case even substituting his own copy for a Rembrandt.

Dighton work: kindlier caricatures

By the early 1790s Dighton had set up his own business, publishing etchings from an address in Spring Gardens. The smaller collector, who cannot at this late stage compete in the market for the finer drawings of Dighton and his contemporaries, can find a very fruitful and accessible field in the products of this latter period of Dighton's career. From the early 1790s to his death in 1814 Dighton dedicated himself to the production of portrait-caricatures of the characters of London and Brighton and later (apparently when his British Museum indiscretion caught up with him), Oxford. As finely coloured as original watercolours, at least in their early states, these witty and credible likenesses of bankers and stock brokers and actors and soldiers were direct antecedents of the *Vanity Fair cartoons of half a century later.*

No one has yet succeeded in compiling an exhaustive listing of all Robert's caricatures, though Andrew Edmunds, the scholarly print-seller of Lexington Street, W.1., is at work on a catalogue and has already recorded well over 100. Dighton was succeeded by his three sons. Robert II made over 50 prints, all of military subjects, marked by a brilliance of technique and a flair for character that rivalled his father. Denis (1792-1827) showed an almost comparable talent in the few subjects he etched; but the artistic careers of both brothers were cut short when they went off to serve as officers in the Napoleonic Wars. Denis died mad at the early age of 35.

It was left to Richard Dighton, a conscientious but distinctly less inspired draughtsman, to carry on the business after the death of Robert Dighton I. His output of caricatures again numbered well over 100, and continued until the late twenties, though he seems to have sporadically returned to the old style in later years, publishing from addresses in Cheltenham and elsewhere. He died at the age of 85 in 1880. A Joshua Dighton, if he was any relation at all, may have been a son of Robert II.

It is still possible to find good early state Dighton caricatures, finely coloured, probably by the artists themselves. (The plates were later bought up and re-issued by the publisher T. McLean). Dighton caricatures enjoyed a collecting vogue in the twenties, but then fell somewhat out of fashion; and prices seem till recently to have fallen somewhat behind those of comparable prints. Though a good theatrical subject (Robert I portrayed Kemble, Kean and Mrs. Siddons among others) can cost between £15 and £20 and a particularly desirable "City" subject like Nathan Rothchild even more, many can still be found for four or five pounds. Andrew Edmunds in Lexington Street, W.1, and Erika Bruce, *in the* new Grays' Market in Davies Street W.1, both have good stocks; and last week I saw an interesting small selection of Richard's late works at Sebastian D'Orsay in Kensington Mall, W8, at £8.50 apiece.

# aleroom

PEAN DEALERS were in evidence yesterday at ie's London sale of 19th 20th century Continental es which totalled £244,570. litzer, Munich, was suc- l at £19,000 for Heinrich l's "Return of the herd" sale estimates were up to 0. Karl Stuhlmuller's ants unloading wagons in rtyard" went to the same for £6,500.

the section devoted to ın and Dutch works Veron £6,500 for the "Battle of ıy" by Theodore Gudin. an, London, gave £8,000 in the kitchen" by Alexis Hamme—the same work, and dated 1847, was sold ristie's for 19 guineas in 1879.

Sainte Vierge" by ore Chasseriau went to an mous buyer for £6,200 and Erdmann's "Reading the also went to an anonymous : for £6,000. Seven per of the lots were unsold.

Phillips sale of English Continental silver, which ıted to £121,200, only ten ıt of 194 were unsold. pman paid £9,500 for a ıificent" pair of George III light candelabra made by min Smith in 1807. The dealer gave £5,500 for a of matching George III silver-gilt ewers with ı and matching salvers in egency manner.

17th-century parcel-gilt er made by Christoff er, Augsburg, circa 1660 £6,000 from Blenheim and a late Victorian canteen of Coburg pattern in a fitted ten-drawer brass-bound walnut cabinet fetched £7,000 from Vander.

This work by Auguste Raynaud called "A cook from antiquity" went for £950 to a private buyer at Christie's sale yesterday.

PAMELA JUDGE

# OVERSEAS NEWS

## Norwegian krone devalued by 8%

By Fay Gjester

OSLO, Feb. 10.

THE NORWEGIAN krone has been devalued by 8 per cent. against the other currencies of the European Joint Currency Float, or "snake." The announcement came from the Danish national bank to-night following a meeting in Copenhagen of the Finance Ministers and Central Bank Governors of countries whose currencies are linked in the snake. The krone will not leave the snake.

Behind the move is Norway's huge payments deficit, which totalled nearly 14 per cent. of the GNP last year, and the dangerous rise in production costs which has made Norwegian goods uncompetitive both on the home market and abroad. The Norwegian Labour Government's growing concern at the economic situation has been reflected in a series of austerity measures during recent months, all aimed at curbing the consumer spending boom, and slowing the rise in output costs.

Government spokesmen have repeatedly warned that there is no room for any increase in real incomes in the forthcoming comprehensive incomes settlement except possibly for the lowest paid workers. Talks on a new two-year agreement between the TUC and the Employers' Federation are due to begin on Monday.

The payments deficit is due partly to delays and accidents on Norway's continental shelf, which have reduced anticipated income from offshore oil and gas.

## Support for weak franc

By David Curry

PARIS, Feb. 10.

THE BANK of France tightened up the money market by another notch and intervened modestly with sales of foreign exchange here to-day to combat renewed weakness of the franc. But given the small volume of Friday trading, the authorities were not placing much significance on to-day's movement.

The dollar opened around 4.90 against the franc, and when it moved to Frs.4.91 the Bank stepped in to sell around \$50m. By the close the rate had settled around Frs.4.88-Frs.4.89.

## Australian uranium deals should go ahead—unions

SYDNEY, Feb. 10.

THE AUSTRALIAN Council of Trade Unions Executive has recommended to a special unions conference here that unions withhold labour on new uranium projects, pending talks with the Government on safeguards and aboriginal rights. The executive also recommended that the unions honour existing uranium contracts.

The council's president, Mr. Bob Hawke, told the conference that the Executive believes there is no reasonable alternative to honouring commitments under existing contracts entered into before December, 1972.

Affiliated unions should make labour available to facilitate the honouring of existing contracts from production by Mary Kathleen Uranium (Australia's only current uranium producer) or from the Atomic Energy Commission stockpile, Mr. Hawke said.

"We are not saying there can never be new mines. We are just taking the basic human position that we want to be certain there are adequate safeguards," he said.

The Ranger Uranium Partners, Peko-Wallsend and EZ Industries, together with Queensland Mines, have had to borrow uranium oxide from the Commission's stockpile to meet export shipments, because all Australian uranium mining (apart from the reopened Mary Kathleen mine) was frozen for about four years until last August.

Meanwhile, a Government spokesman in Canberra said the Government is finalising its uranium development policy and that major announcements can be expected in the next two weeks.

A uranium marketing authority and a uranium advisory council will be established, he said.

Private companies will still be able to negotiate sales contracts, but the authority would have to be advised and would hold a supervisory role. The council would comprise scientific and other experts to advise the Government on contracts and mining operations.

Development of the Ranger deposit still depends on negotiations with the aboriginal Northern Land Council and the council is expected to seek a considerable share of the Ranger project's cash flow, mining analysts said.

● The Opposition Labour Party leader, Mr. Bill Hayden, to-day attacked the Government for what he called the country's worst unemployment rate since the 1930s. The Government had just announced a post-war unemployment peak of 445,300, or 7.2 per cent. of the country's work force.

Reuter

## West German papers resume publication after protest strikes

BY ADRIAN DICKS

BONN, Feb. 10.

MOST WEST GERMAN newspapers resumed publication to-day following the wave of protest strikes declared by the printers' union, IG-Druck, after Wednesday's refusal by the employers to continue negotiations on the introduction of computerised technology.

IG-Druck has, however, made clear that further stoppages could follow. It has denied that its leaders acted in bad faith by repudiating (as the employers have claimed) the draft agreement on the new technology that they had helped to draft.

The union has also announced that its policy will now be to seek house agreements in each newspaper and printing plant if there is no further progress towards a national agreement. The employers are opposed to house deals and continue to insist that there can be no more talks with IG-Druck while its list of eight new demands remains on the table.

Meanwhile, the journalists' union has asked for further discussions of the draft in order to clarify the work that journalists would be asked to do under the new technology.

● In the steel industry, where talks were declared this week to be deadlocked, the union side, IG-Metall, has described the 3.5 per cent. delayed pay increase offered by the employers as "arrogant." The IG-Metall president, Herr Eugen Loderer, announced to-day that his National Executive is likely to call a strike ballot in the industry on Tuesday.

● Leaders of unions representing some 2.3m. civil servants and employees of nationalised industries to-day put in a claim for an average 7.5 per cent. pay rise, plus additional holidays. Senior civil servants are likely to ask for about 6.5 per cent.

## Agreement between two major parties in Sicily

BY PAUL BETTS

ROME, Feb. 10.

AS ITALY'S political forces seek a formula to associate the Communist Party in a parliamentary majority to resolve the country's four-week-old Government crisis, an agreement between Christian Democrats and Communists has been reached in Sicily. For the first time in 30 years the region's Communist Party has voted in favour of the new Christian Democrat President of the island's regional administration.

By voting for the new President, Sig. Piersanti Mattarella, the Communists are now officially part of the island's political majority, together with the Christian Democrats. Although Sicily appears to have taken the initiative in resolving its political problems, the island has traditionally represented a case apart. However, there have clearly been some consultations between the regional Christian Democrat Party and its national leadership over the formulation of the agreement with the Communists.

Similar moves are now taking place in the northern industrial region of Lombardy, which has so far been administered at regional level by a Christian Democrat minority junta with the tacit support through abstentions of the other parties. However, the region appears to be stalling for a solution of the crisis at a national level.

## Lebanese Right clash with Syrians

BY IHSAN HIJAZI

BEIRUT, Feb. 10.

THERE IS a growing concern in Beirut that the roots of the new Lebanese crisis are so deep that an early or quick solution cannot be expected.

Syrian President Hafez al-Assad was quoted on Friday as saying the Christian-dominated Lebanese army must be dissolved and accused the United States and Israel of trying to foment unrest to cover up what he called the failure of President Sadat's peace initiative.

The President, whose remarks were published by the Lebanese Left-wing daily As Safir, said the United States and Israel were linked with certain political groups in Lebanon. This was believed to be a reference to earlier allegations of co-operation between the Right-wing and Israel, especially in southern Lebanon.

There was a brief lull in fighting to-day as a "temporary truce" was being worked out pending negotiations on solving the political aspects of the crisis.

But sniping and explosions soon broke out on the dividing line between the Moslem quarter of Chiyah and the Christian quarter of Ain Al Rummaneh in the eastern suburbs of the capital. The line runs from the Fayadiyah barracks where elements of the "Lebanese army" who have been battling Syrian troops of the Arab peace-keeping force are entrenched.

President Assad told visiting Lebanese parliamentarians in Damascus on Thursday that those who issued orders to Lebanese soldiers to fire at Syrian troops "should be executed without hesitation," to-day's report said.

The Syrians insist that the commander of the Fayadiyah barracks, Colonel Antoine Barakat, and his men must surrender.

Col. Barakat, who sided with the Right-wing during the civil war, refused to resign when President Elias Sarkis last year started to rebuild a new army. Other Right-wing officers followed suit, leaving a number of them in influential positions within the remaining units of the army, the bulk of which had broken up during the civil strife.

A whole new army should be rebuilt, President Assad said and emphasized that Syria could handle any situation arising in Lebanon. He said that he told other Arab heads of state meeting in Algiers last week that he expected renewed trouble in Lebanon because the country was "a weak spot."

The Syrians were reported to have suffered heavy casualties in yesterday's clashes with Right-wing militiamen in East Beirut. Right-wing sources said 20 civilians were killed and 100 wounded during the hostilities and as a result of Syrian shelling.

Informed sources here believe Syria is seeking to protect its flank in Lebanon by trying to end the relationship between the Right-wing and Israel and establishing a political balance between Christians and Moslems.

Moslem newspapers here said the Right-wing have been acting as victors since the civil war ended. Syrian intervention on the side of the Right-wingers during the civil war tipped the scales in their favour, the newspaper said.

### New battles flare up in Beirut

SYRIAN PEACE force troops and Lebanese right-wingers hammered each other in fresh fighting on Friday and right-wing leader Pierre Gemayel urged efforts to save Lebanon from "catastrophe," Reuter reports from Beirut.

Tank guns, mortars, rockets and heavy machine guns were used along an ill-defined front line between right-wing positions in Christian eastern Beirut and western areas controlled by the Syrians, who form the bulk of the 30,000-strong Arab League peace force which ended the 1975-76 civil war.

After a morning lull the front line exploded shortly noon when a shell crashed into Ashrafiyeh in the heart of Christian east Beirut.

Following a meeting of the Lebanese front—the umbrella organisation for all the right-wing parties and militias—Mr. Pierre Gemayel, Falangist leader, declared: "God willing, we will be able to save the country."

## Wholesale prices up in U.S.

By Jurek Martin

WASHINGTON, Feb. 10.

U.S. WHOLESALE prices rose by 0.6 per cent. last month, seasonally adjusted, a similar rate of increase to those recorded since last autumn.

There were signs in the new Producer Price Index for Finished Goods, which is now being accorded greater importance than the old Wholesale Price Index, that the rate of inflation may be quickening.

The data showed that prices for a broad variety of products at unfinished stages of processing increased more in January than in previous months, with the index for intermediate goods rising by 0.9 per cent. in the month.

The old Wholesale Price Index, which is still being issued, also went up by 0.9 per cent. in January, with food prices again leading the way but with industrial commodities going up by 0.7 per cent., more than in previous months.

## Diver's death ends Norway pipeline plan

By Our Own Correspondent

OSLO, Feb. 10.

A PIONEERING Norwegian project aimed at testing the technology for repairing pipelines at a record depth of 320 metres was definitely abandoned to-day, following the inexplicable death on Tuesday of one of the 11 divers taking part.

Its failure could effect Norwegian plans to lay a pipeline from the Anglo Norwegian Statfjord field to Norway's west coast, thus making it quite likely that oil and gas from the field will eventually be piped to Britain instead. The deep sea maintenance technology would be needed for a line to Norway, which would have to cross the sub-sea Norwegian trench, over 300 metres deep. No such obstacle lies between Statfjord and Britain.

The project, involving over 200 men, was backed by two groups of oil companies, the Petronord Group and Statoil Mobil.

## Goodyear acquires Chile tyre company

BY STEWART FLEMING

NEW YORK, Feb. 10.

ANOTHER major United States company, Goodyear Tire and Rubber, is making a substantial investment in Chile as a result of the Government's policy of selling off industrial enterprises which the state acquired during the left-wing government of the former President, Salvador Allende.

Goodyear said a new Chilean subsidiary has acquired for \$34m. the assets and working capital of Corfo-Insa, the country's second largest tyre maker.

Late last year Exxon, the world's largest oil company, was spending \$107m. to buy a major copper mining company, Compania Minera Disputada de las Condes.

A Goodyear spokesman said to-day that the decision reflected the company's decision to strengthen its marketing operations in South America. Goodyear already operates in several countries in the continent, including Brazil, Argentina and Mexico. He added that the move also reflected the companies' view of the strength of the Chilean economy and the political stability.

The Chilean company was previously partly owned by one of Goodyear's U.S. competitors which sold its 38 per cent. stake to the Chilean Government in 1975. It said then it was unwilling to pump additional capital into the operation.

## Moscow criticises spy expulsions from Canada

MOSCOW, Feb. 10.

THE SOVIET Union to-day described a Canadian decision to expel 13 Soviet officials for alleged spying as a provocative act based on "absolutely groundless charges."

In the first public Soviet reaction to the Canadian decision, announced yesterday, the official news agency Tass said it was authorised to state "that the actions of the appropriate Canadian authorities are regarded as unfriendly ones, and that they were taken with obviously provocative aims."

Yesterday Canadian External Affairs Minister Donald Jamieson said Ottawa would regard any retaliatory Soviet expulsion of Canadian diplomats as completely unjustified.

Canadians here were speculating that four or five diplomats could be expelled or barred by Moscow in response.

There were already signs of strain between the two countries following the crash last month over Northern Canada of a nuclear-powered Soviet spy satellite. The expulsions were certain to mean a further chill in relations, observers said.

Diplomats expected the Soviet Government to wait until after the week-end, and possibly longer, before announcing any retaliatory action.

In Ottawa, the Canadian Prime Minister, Mr. Pierre Trudeau, said that an alleged Soviet spy ring was a blot on relations between the countries but would not lead to a permanent rift.

At a news conference he played down the long-term effects of the scandal. Mr. Trudeau said: "You can continue to have good relations with a person who has not been very nice to you on some occasions."

Discovery of the spy ring was a "disturbing thing to friendship . . . but I don't think it will prevent us from continuing to try to have good relations with the Soviet Union. I don't see the scandal as an end of our relations in any sense," he said.

Mr. Trudeau also said he did not expect the Soviet KGB secret police will stop spying, "and we will continue trying to prevent them."

Reuter

## Namibia negotiators make little progress

By Our Own Correspondent

UNITED NATIONS, Feb. 10.

THE NUMBER of South African troops, if any, that may be allowed to remain in Namibia during United Nations-supervised elections, and the question of political detainees, continued to cause serious difficulties to-day as negotiations on a settlement continued. None of the sides claimed progress was made.

Mr. Sam Nujoma, president of the South West Africa People's Organisation (SWAPO), and 11 of his colleagues (including 5 from Windhoek), had their first formal meeting in this round of talks with representatives of Britain, the U.S., France, West Germany and Canada.

Mr. Nujoma wants SWAPO "dissidents" now being held in detention to volunteer not to return to Namibia as a condition for their release. He is understood to fear their possible role in the proposed election campaign.

He is understood to have demanded again to-day that all South African troops in Namibia be withdrawn before elections are held. The West has proposed that the South African forces, estimated at more than 20,000, be reduced to 1,500 and confined to two camps.

The five Western nations undertook their attempt to find an internationally acceptable independence settlement.

Dr. David Owen, the British Foreign Secretary, and Mr. Pik Botha, the South African Foreign Minister, were the first of the Ministers to arrive in New York to-day for ministerial-level talks scheduled to take place over the week-end. The French, West German and Canadian Foreign Ministers were due in later to-night and Mr. Cyrus Vance, the U.S. Secretary of State, will join the negotiations to-morrow.

Mr. Botha and Mr. Nujoma then will have separate meetings with the group of Western statesman.

A STIR IN PAKISTAN'S LARGEST PROVINCE

## Suspicious Baluchistan tribes cling to their ancient freedoms

BY SIMON HENDERSON, RECENTLY IN BALUCHISTAN

THE YOUNG army captain in charge of public relations in Pakistan's western province of Baluchistan could lay claim to having the world's most overdue library book. The gazeteer for the province, until last year the scene of frequent bloody confrontation between the army and rebellious tribesmen, was due back in the library of Quetta's famous staff college on April 3, 1923.

The book, collated by a British administrator of the area in 1907, still remains valid in many respects to-day. Marri tribesmen were a thorn in the side of the ruling administration then as later. Their protests against central government interference in 1972, especially after the arrest on conspiracy charges of the local anti-Bhutto political leaders, are of concern to administrators to-day. There have been no incidents since the overthrow of Zulfikar Ali Bhutto last July, but normality has still not returned to the province. The army has been withdrawn but only to "selected points."

The 1907 gazeteer says the crimes in the town of Sibi included adultery. Nowadays Sibi, bordering Marri country, is still in the news. Its old military quarter, the cantonment, has been revived, providing accommodation for the group and divisional headquarters of the extra army brigade which has been in the province since 1972.

The seriousness of the situation should not be exaggerated. Even at the height of the insurgency in 1973 and 1974 only two districts of the province were affected—Marri country and the Jhalawan area further to the south west. But there were several hundred civilian and military casualties. Neighbouring Iran lent helicopters and crews, while Pakistan Air Force fighter bombers scared concentrations of tribesmen into submission.

Despite an amnesty announced by the military last September and the withdrawal of the conspiracy cases against the Baluch leaders at the beginning of January, suspicion, verging on hostility, lingers on. Several hundred tribesmen and their families prefer the security of the hills or neighbouring Afghanistan. Local leaders call for compensation and a full amnesty. Short of an unlikely capitulation by these local leaders, the Pakistan military ruler, General Zia-ul-Haq, must be preparing himself for more concessions.

The political position of the local leaders is not clear. They have no party. Their National Awami Party (NAP) is still banned, and they have so far failed to follow the path of the North-West Frontier NAP leader, Khan Abdul Wali Khan, who has joined the National Democratic Party (NDP). Wali Khan is thus back in the mainstream of Pakistan politics as the NDP was born after the ban on the NAP, and is part of the former opposition National Alliance.

In Baluchistan everything is more provincial. The largest province of Pakistan (45 per cent. of the land area) but the smallest population (2.5m. of more than 70m.). The emptiness of the deserts and hills is the chief impression.

The leader of the Marri tribe and former president of the Baluchistan NAP, Khair Bakhsh Marri, with soft face, beard and long straight hair, has a philosophical turn of phrase.

"I have decided not to make any comment at this stage," he says, "I cannot say why I cannot say when I shall be prepared to talk, perhaps five weeks. I am not ready to say what may be different in five weeks. I do not want to give the impression that I am not desirous of talking to you."

I drink my mint tea and leave. Outside the simple mud caked walls of the house a constant stream of Marri tribesmen, wearing turbans and enveloped in blankets, come to pay homage and seek advice. Several stop in the street to shake my hand. I look them straight in the eye, remembering the guide book's warning not to tweak their beards or knock off their turban—"it is a serious insult and will be avenged."

The influence of the tribal leaders, the sardars, is still overwhelming. Baluchistan is comparatively rich in oil and gas, mostly still in the ground. The sardars of the Baluchis and Brauhuis, which together make up more than half the population, also control the exploitation rights. Given local conservatism 10 to 15 years are likely to pass before younger elements gain political control.

Mr. Bhutto tried to destroy the sardari system by bringing schools and clinics to the area, or by showing there was a force stronger than the sardars.

But while the aid was accepted the influence of men like Khair Bakhsh Marri remained, even though the life style of his followers contrasts sharply with the brand new Mercedes standing outside his house.

The provincial capital, Quetta,


stands at the cross roads of the ancient trade routes between India and Asia Minor. To the west runs the highway from Iran, to the north the road leads down from Afghanistan. Both countries maintain the only foreign consulates in the city, officially to facilitate such traffic.

Their presence is an indication of larger concerns. Pakistan's obsession with treason and territorial integrity implies and acknowledges the fear that one day the Punjab and Sind could decide that India offered a better deal than a state based on Muslim exclusivity. A Pakhtoonistan, made up of the North West Frontier and northern Baluchistan, the territory of the Pathans, could look to Kabul. In the name of regional stability Iran could be expected to gobble up the rest of Baluchistan.

Bhutto used to put about the story of the Baluch leaders wanting independence. "Nonsense," local people said, "all we want is the degree of autonomy allowed for under the federal constitution."

Discussions on this and the ways to full normalisation lead to gaps of silence where people do not want to be committed or to contradictions which they do not want resolved. "Do not press us," one man said, "the path to normalisation depends on just such ambiguities as this unreadiness to define normalisation."

HOME NEWS

# Ministers challenge Tories over pay

BY PHILIP RAWSTORNE

UBILANT CABINET Ministers elebrated yesterday "the breakthrough" for their counter-nflation policy with a vigorous ttack on the Tory opposition to ie Government's private sector ay controls.

Single-figure inflation and the iners' pay settlement would ot have been achieved without firm defence of the 10 per ent. guideline, they said.

Mr. Merlyn Rees, the Home ecretary, challenged Mrs. largaret Thatcher to spell out er policy for controlling inflaon. "Or does she really believe n an unrestrained wages freer-all?," he demanded.

Mrs. Shirley Williams and Mr. avid Ennals joined in an ssault on the "bitter, irresponsible and desperate Tory attempt o wreck the Government's rategy."

Government confidence of deating the renewed Tory offenve in the Commons on Monay was boosted last night by rong support from the Liberals, ho called for even tougher Govnment measures.

There were signs too that potential Leftwing Labour rebels would fall into line. A Tribune Group amendment to the Tories' critical motion added its disapproval of "too rigid a pay policy," but condemned the "irresponsible and desperate political opportunism" of the Tories.

Mr. David Steel, the Liberal Leader, in an amendment urged the Government to impose tax penalties on "excessive" pay settlements.

In a speech at Norwich yesterday he said that the present "hand-to-mouth" prices and incomes policy should be replaced by a permanent structure, including a national body to referee special cases.

Mr. Steel sharply criticised the lack of continuity in policy, which, he said, had been vividly illustrated by the Sun Alliance Insurance dispute.

The Labour Government was now threatening to use the Tory Counter-Inflation Act which it had originally opposed to secure reductions in the company's premiums.

He added that Sir Geoffrey Howe, a Sun Alliance director who had introduced the Tory Act, now opposed its use, though he had assured the Commons in 1973 that insurance companies would be subjected to the same stringent price controls as other companies.

Mr. John Pardoe, the Liberal economics spokesman, speaking in Torquay last night, scornfully dismissed the "ridiculous cats' chorus" of Tory industrialists, politicians and Press who had opposed the Government's sanctions.

But Mr. Cyril Smith, Liberal MP for Rochdale, who voted with the Tories earlier this week, maintained his rebellious line in a speech at Louth and condemned the Government's moves as "a blow against democracy."

Mr. Kenneth Clarke, a Tory industry spokesman, said that the Government switch to a system of enforcement by contract should not be allowed to obscure its "scandalous conduct" over the black list.

# Deal safeguards malt whisky from Glenlivet

BY KENNETH GOODING

A DEAL between Seagram, the Canadian drinks group, and Suntory of Japan, has ensured that Suntory continues to get essential supplies of bulk malt whisky from Glenlivet Distillers of Scotland.

But it is a setback for those campaigning to end the Scotch whisky industry's shipments of bulk malt to Japan, where it is used to improve the flavour of local products.

Suntory, Japan's largest whisky producer with sales last year equivalent to £1.1m. and pre-tax profits of £890,000, has bought malt whisky from Glenlivet for about 10 years.

When Seagram put forward a £47m. takeover last year, the relationship seemed in danger.

For Seagram, the world's largest drinks group, taking 30 per cent. of Glenlivet output for its brands such as Chivas Regal, is linked with Kirin, Japan's biggest brewer in a joint Japanese whisky venture.

Seagram now says it will "formalise" the arrangements between Suntory and Glenlivet on a contractual basis.

This might explain why Suntory did not use its 11 per cent. shareholding in Glenlivet to block the full acquisition by Seagram.

Last year, around 6m. gallons of malt whisky worth £16m. went to Japan from Scotland, but Glenlivet insists that it accounted for well under 10 per cent. of that total.

The Scotch Whisky Combine Committee which represents employees, has campaigned to stop the business. It was providing future competition for Scotch in world markets from Japanese whiskies, which sometimes use up to 40 per cent. of Scottish malt without *mentioning this on the label.*

This trade with Japan is one of the key factors being examined by a National Economic Development Office working party

# Budget speech to be broadcast live

Financial Times Reporter

THE CHANCELLOR'S Budget speech on April 11, together with the Opposition's reply, will be broadcast live on radio by both the BBC and Independent Radio News.

This follows the Commons vote earlier this week to allow permanent broadcasting of proceedings in the House, and contradicts the statement by Mr. William Price, Parliamentary Secretary to the Privy Council Office, immediately after the vote that he thought it unlikely that broadcasts would start in time for the Budget.

## Relay

BBC and IRN both said yesterday that broadcasts would start on April 3, immediately after the Easter recess.

The Budget speech, starting at 3.30 p.m., will be used live in its entirety by BBC Radio 4 and by LBC. Independent Radio News will relay it to other local stations throughout the country for use as required.

● Community Radio Services, the company that trades as Downtown Radio in Northern Ireland, made a trading profit of £55,220 for the year to last September 30, reducing the accumulated losses carried forward from the previous year from £154,607 to £99,387.

# Higher pensions test claim is rejected

BY ERIC SHORT

A CHALLENGE by three pensioners to obtain higher increases in old age pensions was rejected yesterday by three Appeal Court judges, who dismissed a test claim that could have cost the Government an extra £500m. a year in pensions and other long-term benefits.

The pensioners, Mr. Leslie Metzger and Mr. George Carter, both of London, and Mr. Arthur Jenkins of Coventry, backed by the Child Poverty Action Group, had challenged the method used by the Secretary of State for Social Services in determining the size of increases in pensions and other social security benefits.

Their claim was that a review based partly on forecasting price trends ahead was wrong, and that it should be determined on knowledge of movements over the 12 months before the uprating.

The Social Security Pensions Act, 1975, lays down the method by which pension increases should be made.

The objective was that pensioners should share in increasing prosperity of the economy by having their increases based on earnings rises.

But such increases should never be less than the corresponding rises in prices. That is, pensions should be inflation-proofed.

The increases in April, 1975, and November, 1975, were based on historical earnings movements, but the method used for the increase in November, 1976, was on forecast prices. It is this change that is in dispute.

Lord Justice Stamp stated yesterday that in the very nature of things there must be a considerable delay between the date of a review of weekly pensions and the date when the Secretary of State made an order.

The administrative problem of preparing the way for a change in weekly rates must be formidable, and there was also the delay in obtaining the approval of Parliament.

The Appeal Court's view was that the 1975 Act did not require the Secretary of State, once an Order had been made, to find out whether it did "increase the sums to such an extent as was in fact necessary to restore their value."

# Majority of people in Ulster favour power-sharing

BY OUR BELFAST CORRESPONDENT

XTY-THREE per cent. of lster people favour some form power-sharing between major litical groups, according to an pinion Research Centre poll.

The survey for an Ulster Telesion current affairs programme owed that 49 per cent. of nionists supported powersaring.

Twenty-eight per cent. wanted the present system of direct rule from Westminster to continue and, if that was to end, 8 per cent. favoured independence.

Of young Catholic men, 60 per cent. had seen a terrorist incident.

Ulster's separate education system for Protestant and Catholic children received little support. Only 19 per cent. favoured it, while 75 per cent. believed in freedom of choice on both sides.

Capital punishment for terrorists convicted of murder was favoured by 54 per cent. The extradition of criminals from the Irish Republic to Ulster and vice versa received widespread support.

# New London heliport site under study

BY DAVID CHURCHILL

A SECOND London heliport close to the City, is being considered by the Greaer London Council to meet the expected increase in traffic in the 1980s.

This was disclosed yesterday by the GLC when it announced that it was considering two possible sites for the new heliport. The alternatives — Surrey Docks and the Greenwich peninsula — both have drawbacks at present, according to the council. But it hopes that the planned regeneration of the docklands area over the next few years, especially road improvements, will create further viable sites.

Miss Shelagh Roberts, leader of the council's planning and communications policy committee, said yesterday that it was "vital that any new heliport should be located to give maximum operational advantage while minimising noise nuisance to residential areas."

London's present main heliport, at Battersea, dealt with 8,660 flights last year.

Miss Roberts also announced yesterday that the Greater London Council was opening negotiations on possible financial aid to the Earls Court exhibition centre. "We must do all we can to maintain the centre in a state worthy of the capital," she said.

# Council may raise precept by 10%

ESSEX COUNTY COUNCIL is to consider a recommendation that the precept for the year 1978-79 should be 66½p in the £—an increase of 6p or 9.9 per cent.

Stringent economies during the year and the co-operation of staff have made it possible to limit the recommended precept to this figure despite a reduction in the Rate Support Grant for next year and continuing inflation.

No major cuts in services are to be made but some economies in running costs are budgeted. Some reinstatement of last year's cuts has been possible in a few areas.

Special provision will be made to deal with urgent arrears of work on building maintenance.

# Cruisers join Board's hire fleet

SEVERAL NEW four-berth and six-berth luxury cruisers have joined the British Waterways Board modern hire cruiser fleet at Nantwich on the Shropshire Union Canal in Cheshire and at Hillmorton, on the Oxford Canal, near Rugby.

The boats, built on traditional narrow boat lines, are fitted with central heating, hot and cold running water, showers, full kitchen equipment and other amenities.

When taking a holiday on a canal cruiser there are no surcharges. All the holiday maker needs are clothes and food. Fuel and cooking gas are supplied by the Board, and television is available as an extra.

# Germany and France still fighting Britain–Powell

FINANCIAL TIMES REPORTER

GERMANY AND France were engaged "in the continuation of war by other means" against Britain in the Common Market, Mr. Enoch Powell said in London last night.

Germany's attempt to wield "their favourite instrument—the big stick"—over the devaluation of the "green pound" and the fisheries negotiations, had been another reminder of her "age-long ambition" to dominate Britain.

"We are simply incapable of comprehending the depth and durability of the resentment which is held against us by the Germans and the French," Mr. Powell declared.

"By the Germans, for the obvious reason that we defeated them; by the French for the less obvious but still more potent reason, that we did not share in their defeat."

Britain's accession to the EEC had given the two countries the opportunity to reverse the verdicts of past wars. In this new "battlefield," the Foreign Office had worked ruthlessly for the surrender of Britain's independence, he alleged.

"In its so-far successful campaign, the Foreign Office has been supported by much the same classes and interests as were working in the same direction in the 1930s and would have been as ready to hand British independence over in 1940 as they were ready to join in doing so in the 1970s."

# Prescription regulations suspended

By Ivor Owen, Parliamentary Staff

GULATIONS limiting the sale om February 1 of many popular dicines for minor ailments to "prescription only" basis are spended for six months with ect from to-day.

The Government yesterday noured its commitment to prole a six-month transitional emption. The suspension was omised when the introduction the regulations led to a row in e Commons and protests from emists.

Ministers denied charges of vernment "muddle" but reed that more time was eded to enable pharmacists to ercome the problems associated th restricted sale of many oducts.

The Medicines (Prescription ly) Amendment Order laid fore Parliament yesterday proes that medicinal products that eded no prescription before bruary 1 may again be so suped for another six months.

Mr. Roland Moyle, Minister of te for Social Services, told s that labelling regulations d before Parliament yesterday re designed to deal with blems which could arise from introduction of the transinal exemption.

# Groups will exploit Surrey natural gas

BY OUR INDUSTRIAL STAFF

THE CARLESS Exploration Onshore Group has reached agreement with another small U.K. oil company, Cambrian Exploration, for acquisition of large shares in several exploration, production and mining licences in Southern England.

Carless Exploration, a subsidiary of Carless Capel and Leonard, an independent oil company, has acquired a 65 per cent. interest in two mining licences in Surrey, which contains three wells known as the Bletchingley Gas Field.

These three wells were successfully tested in June last year. Planning permission for installation of plant has now been given by Surrey County County.

The production licences are in West Sussex, East Sussex, Hampshire, Berkshire and Wiltshire, and here a full seismic programme is expected to be completed in the spring.

Carless has small interests in some North Sea licences. The new mining licences will provide its first opportunity as an operator.

British Gas has agreed to pay higher prices to two of its main offshore suppliers in the southern sector of the North Sea, Shell and Amoco, in return for a longer, more flexible contract.

The two oil companies are to invest some £100m. in new facilities to ensure the maximum recovery of gas from the reservoirs when they pass peak production.

Along with the installation of new gas compression facilities, Amoco and Shell have agreed to operate the fields flexibly with higher production during the winter to help British Gas over seasonal peaks in demand. The supply contracts have therefore been extended from 1993/4 to 1997.

# Skateboard industry shows its wares

BRITAIN'S NEWEST growth industry passes a landmark to-morrow when the first National Skateboard Trade Exhibition opens.

Almost every type of skateboard available will be on display, with associated safety equipment and a comprehensive selection of ramps, runs, flooring, bowls, pipes and half pipes. The show's theme is Safety in Skateboarding.

More than 200 companies are exhibiting from the U.K., U.S., Canada, Finland, Germany, Italy and Japan. The four-day exhibition at the Royal Horticultural Society's New Hall, Westminster, will be officially opened by Mr. Denis Howell, Minister of State for the Department of the Environment.

The skateboard craze, which came from the U.S., hit the U.K. in the past 12 months. Skateboards became the single most popular gift for Christmas and about 2m. are estimated to have been sold last year. About one in four boys aged nine to 16 years owns one.

The multi-million pound industry has spawned a huge demand for skateboard park equipment. This is being fuelled by public pressure on local authorities to provide facilities.

# Runcorn factory

DUNI BILA, the Swedish group manufacturing disposable plastic products, has taken a lease on a 30,000 square feet factory unit on Runcorn's Whitehouse Industrial Estate, in association with the local deelopment corporation and the North West Industrial Development Association.

# Major repairs close tunnel

THERTON Tunnel on the mingham Canal Navigations o be closed from June 5 until ing, 1979 for major repairs, ected to cost £300,000.

The tunnel is at present closed repairs to air shafts. But m March 16 to June 4, while parations for the further airs are being made, it will re-opened to navigation.

The need for extensive repairs s found in a survey by British terways Board engineers in 6-77. It was found that a gth of the invert (the floor the tunnel) had lifted and ht inward movement of the nel sides had occurred.

# 'Take Delaphre off blacklist'

MICHAEL MORRIS, Convative MP for Northampton uth, is to ask Mr. Roy tersley, Prices Secretary, to e Delaphre Precision Eneering, of Northampton, off Government's blacklist.

When the company gave its kers rises outside the 10 per t. pay guidelines, it did not w that would cost it Governt contracts, Mr. Morris said. Delaphre had lost £50,000 as a ult of breaking the guidelines, added.

# New European energy report

NEW Financial Times newser, European Energy Report, being launched next week. It be published fortnightly and l provide news and analysis of energy policy decisions of countries of Western Europe those in energy industries as l as for suppliers, industrial sumers, bankers and governt policy makers.

# Auditors Bill

E PRIVATE Member's Bill uiring large companies to set audit committees of directors keep in touch with managets and auditors failed to are a second reading in the nmons yesterday.

# Tribunal rules against Tether on Lavender Hill Mob letter

A BUSINESSMAN, commenting in a private letter about former Financial Times columnist Mr. C. Gordon Tether, referred to getting "my Irish friends in the Lavender Hill Mob on to the matter," a London industrial tribunal heard yesterday.

But Mr. William Wells, Q.C., chairman, said that it was a light-hearted reference to topical events (the letter was written nearly two years ago). He ruled against Mr. Tether in pursuing this aspect of his case for reinstatement. This particular matter was exhausted, he said, after the newspaper had sought a ruling.

Mr. Tether, 64, claims he was unfairly dismissed by the Financial Times and seeks reinstatement.

Giving examples of the "hostility" of the Financial Times management towards him, Mr. Tether told the tribunal that a letter accidentally came into his possession at the end of March, 1976, in which reference was made to him. The letter was from Mr. Guy Ellerington, managing director of the Financial Times' advertising agents, to Mr. John Geddes, the newspaper's promotions director. It contained a phrase, "If you give me a verbal instruction, I will get my Irish friends in the Lavender Hill Mob on to the matter. . ."

Mr. Tether said that although the Financial Times was aware of his anxiety, it did nothing to allay it. He drew the letter to the attention of the newspaper's executive, and eventually to Lord Gibson, the chairman.

As Mr. Ellerington eventually explained, it was a remark made only in bad taste. But the real importance of the issue was that during 2½ months no one was prepared to tell him that.

This was at a time when there had been a number of attacks, including that on Mr. Ross McWhirter.

Mr. Tether told the police at Cannon Row station, who agreed it was probably a remark in bad taste. But they were convinced that as soon as the Financial Times was made aware of it they would put his mind at rest. When this did not happen, he became more concerned.

Mr. Thomas Morison, counsel for the Financial Times, reminded the tribunal that on the second day of the hearing it was decided that this was no longer a matter of concern, and accordingly no evidence was given. When Mr. Tether first drew Mr. Ellerington's attention to the incident, he had been in South America for some weeks on business.

Mr. Tether replied that it was the impact on him which was important and how it affected the distrust he felt for the Financial Times.

The chairman, Mr. William Wells, QC, said that in a letter to Mr Tether Mr. Ellerington had apologised and explained his remark as a light-hearted reference to topical events.

The tribunal understood Mr. Tether's contention that the management's failure to deal with the "Lavender Hill Mob" issue for 2½ months was being presented as evidence of hostility, and the bearing this had on his decision not to attend the NUJ-NPA disputes committee working relationship meeting in the editor's office.

Earlier, Mr. Tether, continuing his opening address on the 21st day of the hearing, said the hostility was also manifest in a letter Mr. Fredy Fisher, the editor, sent him in March 1975, in which he said that since they were then running up to the Common Market referendum it was reasonable that Mr. Tether should write twice a week about the EEC. Once the referendum date had been announced, he would be ready to carry up to three articles a week on the EEC.

Mr. Fisher's EEC directive, for all its "innocent looking character," had considerable relevance as to who was responsible for the distrust which developed between him and the Financial Times, said Mr. Tether

The hearing was adjourned to Monday.

# Drop in furniture orders

FINANCIAL TIMES REPORTER

DOMESTIC furniture deliveries last December were 3 per cent. lower than in December, 1976, and the volume of orders held by manufacturers fell by 26 per cent. over the year.

Provisional figures issued by the Department of Industry give a seasonally adjusted index of deliveries for the month of 160, a rise of 11 points on the November level, but a 5 points fall over the year.

The index of orders on hand, again on a seasonally adjusted basis, stood at 144 at end-December—10 points lower than a month earlier and 50 points below the level at the end of 1976.

The actual value of deliveries in December was £62.3m.

# England's green and under-researched land

BY DAVID FISHLOCK, SCIENCE EDITOR

RESEARCH to try to reduce the amount of time and money spent on the great British summer weekend pastimes of mowing the lawn is recommended in a report on Britain's amenity grasslands.

Nationally, the upkeep of Britain's 13m. lawns costs more than £10m. a year.

The Natural Environment Research Council's report finds that Britain spends an insignificant amount on research related to the management of amenity grasslands, compared with its estimated cost of nearly £150m. a year (at 1973 prices).

Application of research results leading to just a 5 per cent. saving in mowing costs could be worth £4m. a year, says the report.

The study was carried out under contract for the Department of the Environment by a committee headed by Professor A. D. Bradshaw of the University of Liverpool.

It finds that an area of Britain about half as big again as Norfolk—some 3.7 per cent. of the total land surface of the U.K. —is the subject of *almost no scientific research*

This is the area defined as amenity grassland, ranging from "intensively managed" areas like sports turf to untrampled open spaces such as cemeteries and railway embankments.

Local government controls two-fifths of the area, and central government and British Rail between them account for another one-sixth.

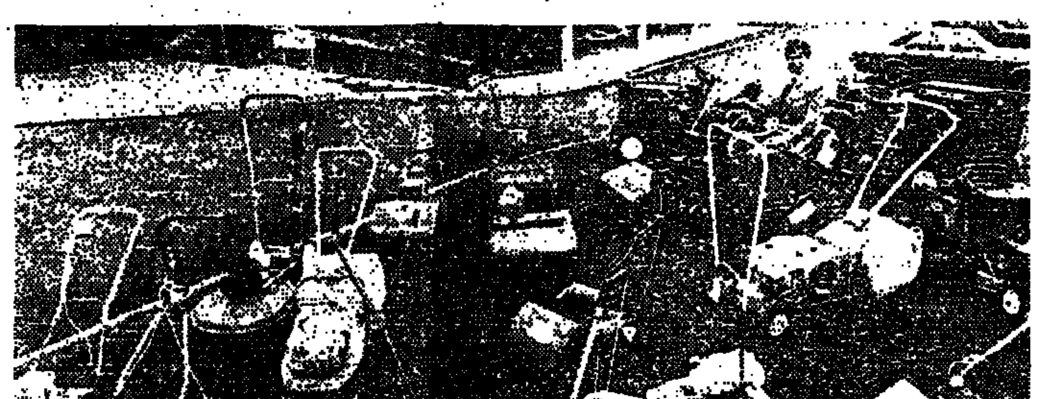
Trampled open spaces account for £79m. of the £150m. management costs, and intensively managed areas of grass account for another £57m.

The four most expensive areas of intensively managed grassland are urban parks, accounting for almost a quarter of the £57m., domestic lawns (18 per cent.), school playing fields (16 per cent.), and golf courses (14 per cent.).

In 1973, "new" grass cost the nation £13m., mostly for new golf courses, construction of which boomed in the early 1970s.

Mowing costs dominate the expense of managing grasslands —59 per cent., compared with 14 per cent. for fertilising and 5 per cent. for weed control.

*Further investigation is needed* into better mowing machinery, chemicals to retard the rate of growing, use of grazing animals and selection of slow-growing species of grass.



The diversity of machines available to tackle the national pastime of keeping the grass down.

Overall, research relevant to amenity grasslands accounts for only one-thousandth of the cost of management. The committee wants to see a research institute set up, but acknowledges that this is not immediately practical. It urges greater effort in existing research, co-ordinated by the Natural Environment Research Council.

*Amenity Grasslands—The Needs for Research, published by the Natural Environment Research Council, 27-33 Charing Cross Road, London, W.C.2H 0AX. Free.*

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# Switches of mood

PARLIAMENT, THE courts, the Press and the business world generally have continued to be much exercised this week by the methods which the Government is using to enforce the observance of its ill-defined pay policy in the private sector. The principle at stake is fundamental and the concern felt about it is fully justified; but the financial markets are more influenced by short-term considerations. The gilt-edged market, in particular—and the behaviour of gilt-edged is nowadays largely responsible for the performance of industrial equities—has experienced two violent switches of mood this week, caused by changing ideas about the Government's success in controlling inflation rather than the means of control it is using.

The apparently disappointing news came first. The wholesale price indices for January showed that the cost of raw materials and fuel to industry had fallen for the ninth month in succession and was now 3½ per cent. lower than a year ago: lower world commodity prices and the firmness of sterling both contributed their part. On the other hand, the tendency for factory output prices to rise at a steadily falling rate seems to have come temporarily to a stop. It remains to be seen how far this is due to the bunching of price increases at the beginning of the new year.

### Money supply

The market was much more disturbed, in any case, by the latest banking figures. Advances by the London clearing banks, after allowing for the usual year-end special factors, seem to have been rather lower than recently: but the eligible liabilities of the banking system (roughly speaking, the total of interest-paying deposits) rose even more sharply than in the previous month. These eligible liabilities are a pointer, though not always an absolutely reliable one, to the money supply figures published a week or so later, and the market drew the conclusion that the growth of the money supply would turn out to have remained beyond the top of the target range.

If this were the case, the authorities might be expected to push up interest rates, and the immediate prospect for gilt-edged prices would be poor. The Governor of the Bank of England, in a public lecture on monetary policy this week, pointed out once again that "so long as we can see our way to bring it back within a few months to the charted path, we should not be unduly concerned when monetary growth goes temporarily off course." That may be the rational approach. But for the moment, at any rate, the gilt-edged market takes these month-to-month fluctuations much more seriously than they deserve and it becomes difficult for the authorities to sell stock at just the times when the need to sell increases.

### Miners accept

This week, however, one sudden change of mood was quickly overtaken by another. The miners announced that they were ready to settle for 10 per cent.—so removing the risk of one damaging confrontation and increasing the chance of avoiding another with the power workers. With several other groups either settling or seeming likely to settle soon at around the 10 per cent. figure, the possibility of keeping the growth of earnings within reasonable limits during the current season seemed much brighter, and the market perked up.

It was encouraged, too, by further hints that the Government was not preparing a dangerously expansionary Budget ahead of a general election. The Chief Secretary to the Treasury warned the Commons Expenditure Committee not to expect too much in the way of direct tax cuts, because of the many competing claims on the benefits of North Sea oil. The Chancellor, speaking to a meeting of Labour MPs, was concerned to dismiss the more colourful Budget demands of the Left and to stress that he had no intention of emulating the "extravagance" of Mr. Anthony Barber. And the Governor, in the lecture already mentioned, took the view that we could not allow the economy to expand "very vigorously" until inflation had been brought down to a lower level. All in all, the change of mood in the gilt-edged market was so marked that the authorities were able, by cutting the price of the long tap, to sell considerable quantities of stock on Thursday. Things were quieter yesterday, though MLR remained unchanged, mainly because the market was given a hint that it should hasten only slowly ahead.

These sudden changes of mood are perhaps themselves a sign that monetary policy is at present more useful in the long-term control of inflation than the short-term management of demand. The introduction of "rolling targets" for the growth of the money supply, which the Governor suggests should be announced twice a year to begin with, may make the market a little less violent in its reactions.

# There's an awful lack of coffee in Brazil

BY RICHARD MOONEY

WITH retail prices now 35 per cent. below last summer's record levels the U.K. instant coffee market is at last resuming some semblance of normality. But in the aftermath of the 1975 Brazilian frost disaster world supplies are now in such a precarious situation that any fresh blow could produce a reaction which would make the shocks of the past three years pale into insignificance.

The unprecedented prices seen in recent years resulted from a relatively short-term production deficit, not an actual physical shortage. But any further serious blow to supplies within the next few years could take the market into physical shortage with a vengeance.

When the Brazilian frost struck in July, 1975, world coffee stocks stood at a relatively high level. Most were in Brazil, where the Coffee Institute was holding 35m. bags (of 60 kilos each) equivalent to a year-and-a-half of Brazilian production and over five months of world production. Virtually all this coffee has now been used to make up the production shortfalls of 1976 and 1977. In August last year the Institute estimated that its stocks had sunk to a mere 1.2m bags and by the end of the 1977-78 marketing year total Brazilian stocks are not expected to exceed 3m. bags.

But with stocks, all the 1975 frost did was to bring to a sudden conclusion a process which had been under way for years. Ten years before, Brazilian stocks had stood at 65m. bags but this had been whittled down gradually because of shortfalls in world coffee production. Now that the stocks are gone, the deficit cannot continue.

U.S. Department of Agriculture (USDA) statistics, which many experts consider optimistic, put the 1977-78 world crop at a little over 70m. bags and exportable production (after subtracting consumption in producing countries) at about 52m. bags. Normal export demand is 55m. bags or more, so somebody, somewhere, is obviously going to have to drink less coffee.

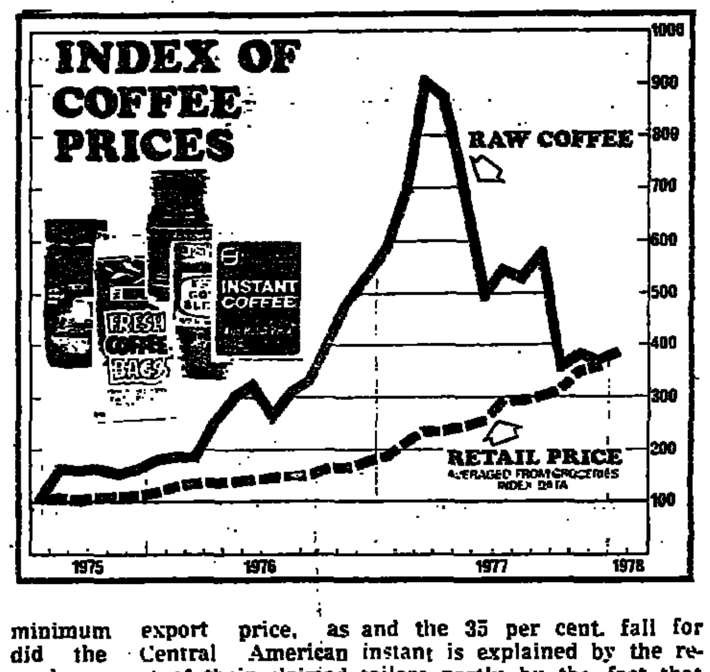
The key to this problem is Brazil, which in normal circumstances produces over 30 per cent. of the world's coffee. The frost cut production to about 6m. bags in the 1976-77 season and the 1977-78 total is estimated at 17.6m. bags. If all goes well this could rise to 20m. bags in 1978-79 and production might be back to normal levels by 1980. But this schedule leaves little room for significant stock-building and even if Brazil experiences an unprecedented series of mild winters there is little prospect of the country holding sufficient stocks to weather a new frost crisis until the mid-1980s.

Pessimists in the coffee market meanwhile point out that the average period between serious Brazilian frosts is three years—so next July and August (the Brazilian winter) could be a very nerve-wracking time for the world coffee trade.

If Brazil cannot fill the gap, it is unlikely that any other producer can. The main area with potential for increased coffee production is Africa, but because of political instability, output in that continent has been falling rather than rising in recent years. Central American prospects are being held back by the rapid spread of coffee-rust disease. The only two countries, apart from Brazil, which might increase production significantly are the Ivory Coast and Mexico.

## Threatening noises

Over the past year the coffee market seems to have been preoccupied with a welter of pronouncements from producers and consumers, most of which, with hindsight, appear more or less irrelevant. On the producer side, Brazil got very good mileage out of its maintenance of an illusory $3.20 a pound minimum export price, as did the Central American producers out of their claimed ban on exports. The African producers also made threatening noises about withholding coffee from the market while Brazil embarked on a much-publicised programme of support buying on the world markets. There was equal activity in consuming countries with an attempt to organise a housewives' boycott of coffee in the U.S., limitation of retail prices in France and of margins in the U.K., and official inquiries into coffee prices in both the U.S. and the U.K.




But for all the publicity they received, it is doubtful that any of these moves had any lasting effect on world coffee prices. The main factor under-pinning the market has been recognition that coffee is in short supply and is likely to remain so for some years.

Since last spring, raw coffee prices have fallen rapidly from their peak of over £4,200 a tonne and now stand at about £1,600. This has been reflected in a somewhat less dramatic fall in British retail prices for instant coffee. The recommended price of a four-ounce jar of instant peaked at £1.70 in the summer and would have gone even higher but for a threatened boycott by leading supermarket chains and Price Commission action to limit retail margins. The same jar now costs about £1.10.

Advance buying by the major retail chains enabled them to resist buying at the peak. This, coupled with widespread "loss-leading," prevented instant coffee from rising much above £1.40 a quarter on the shelves of most supermarkets. So the October price cuts had little effect on actual retail prices and even less on demand. Only since the December cuts have prices begun to fall in most shops.

The discrepancy between the 56 per cent. fall in raw prices and the 35 per cent. fall for instant is explained by the retailers partly by the fact that the peak raw price was never fully reflected in the shops—and in fairness to the manufacturers it should be pointed out that the 840 per cent. increase in raw prices between mid-1975 and spring 1977 resulted in only a 360 per cent. increase in instant coffee prices.

The fall in recommended retail prices since last October may seem paltry in comparison but it is unlikely that there will be any further substantial cuts in the near future. Although most of the coffee on the supermarket shelves would probably have been purchased in its raw state four or five months ago, when world prices were about 35 per cent. above current levels, the British manufacturers have anticipated the subsequent fall—at considerable expense to themselves, some claim.

This policy was not entirely altruistic, however. The companies were seriously worried at the apparent sharp cut in consumption during 1977. Estimates of the fall in U.K. demand range between 20 per cent. and 30 per cent. and the manufacturers obviously felt that if this trend were allowed to continue serious long-term damage might be done to the demand for instant coffee, which had previously been rising steadily since its introduction in the mid-1950s.

## Domestic larders

These figures probably overstate the seriousness of the decline, however, just as the 3-4 per cent. fall in retail sales in 1976 had disguised a much stronger fall in actual consumption. The surprisingly slight fall in sales in 1976 was probably due to a tendency among English housewives to fill their larders with coffee in the expectation that prices would rise further. Conversely, last year's fall in sales was probably exaggerated by the de-stocking of domestic larders. The true cut in per-capita consumption of coffee lies somewhere between the two figures.

If the manufacturers needed convincing of the possible consequences of this cut in demand they need only look to the American experience following the last major coffee supply crisis in the early 1950s. This, too, stemmed from an unusually severe frost in Brazil which sent prices spiralling in much the same way as the 1975 frost. The effect on U.S. consumption was immediate and, though the cut was recovered in the short-term, U.S. coffee drinking has been in decline ever since.

The same pattern will not necessarily be repeated in Britain, however, because the U.K. market is very different from the U.S. Americans buy mainly roast and ground coffee and the habit extends across all age groups. In Britain instant coffee dominates the market and most of it is drunk by the under-forties. It may be, therefore, that the more youthful U.K. coffee-drinkers will prove to have been less appalled by the recent price escalation than their American counterparts were 25 years ago. There is no doubt, moreover, that consumers on both sides of the Atlantic have become far more used to price rises in the intervening years. As always, however, the proof of the coffee will be in the drinking and though it is obviously too soon to assess the effect on demand of the recent U.K. price cuts manufacturers are finding early indications encouraging.


For British manufacturers, however, the last three years may not, after all, have been an unmitigated disaster. The one bright spot has been the unexpected success of mixtures including coffee substitutes. These were introduced mainly as a way of extending supplies of coffee and keeping retail prices down so that the coffee drinking habit should not be lost. But the enthusiasm with which some of these have been received has led the companies to think that there may be a substantial long-term market for them. In the view of some manufacturers, this represents not so much the discovery of a new market as the rediscovery of an old one.

Early brands of instant coffee were regarded mainly as coffee-flavoured milk drinks but technical developments in the past 25 years have gradually "improved" instant coffee giving it a more positive flavour. Though this has widened the market among genuine coffee drinkers it now appears that many of the original customers may have fallen by the wayside. The U.K. coffee companies see in their milder "substitute" brands an opportunity to bring these people back into the fold.

The most successful of these is Nestlé's "Elevenses," which is a mixture of instant coffee, chicory, malt and barley. This was launched in October at 85p for four ounces compared with £1.37 for pure instant coffee. Even Nestlé was surprised by its success. Within five weeks it had soared to second place (to Nescafe) in the instant coffee market with a brand sha[re of] over 10 per cent. By the e[nd of] 1977 "coffee mixtures" [as a] whole had taken nearly a[...] of the instant coffee mark[et and] had established themselves [as a] £70m. a year industry.

This startling success [may] originally have been see[n as a] direct result of the high [price] of instant coffee and no d[oubt] this accounted for a large [part] of the original sales. But [as] coffee prices have fallen [and] the price advantage [of] "Elevenses" has been subs[tanti]ally reduced, sales are "rattling away" according [to a] Nestlé spokesman, and a [new] television advertising cam[paign] is planned "to keep that g[...]".

The success of coffee mix[tures] has also impressed the [...] instant coffee giant [General] Foods.

## 'Mixtures' market

The company did not la[unch] any "mixtures" to see it thr[ough] the crisis as others did [but] is now planning to ente[r the] "new" market, which it [sees] as "an ongoing pros[pect]." General Foods' offering, [under] the "Brim" brand name, s[hould] be in the shops in March [and] will sell at 91p to 95p for [four] ounces.

But however successfu[l the] "mixtures" market prov[es, in] the long run Britain's ma[nufac]turers are anxious to buil[d the] pure instant coffee marke[t back] to its former size of [...] £200m. a year. This could [be] a long and expensive pr[ocess] but there seems no reason [why] it should not eventually [be] achieved — provided [Brazil] escapes further frosts fo[r the] next few seasons, Af[rica's] politico-social problems d[o not] cut production further, and[, most] of all provided the U.K. c[onsu]mer can be persuaded to a[ccept] £1 or more per four ounc[es as] the "normal" price of in[stant] coffee.

# Letters to the Editor

### Bargaining

*From the Managing Director, Ores International.*

Sir, — I write to submit that at a time of crisis at British Steel and British Leyland and continuing industrial disruption over pay claims, there are three simple, and constantly overlooked points that should be reiterated.

While there is overmanning and depressed productivity, it is impossible to have free collective bargaining — except at the expense of raging inflation and, ultimately, national economic collapse. Efficient manning levels, high productivity and free wage bargaining go hand in hand. It follows that Government is impotent to legislate positively on wages except related to productivity, and otherwise may only attempt to take corrective action.

Further, I believe that people in industry are sensible intelligent adults, and if as much endeavour was made to explain these issues as is spent on propogating militancy, both workers and the nation would benefit.

M. I. Webb-Bowen.
*35-39, Maddox Street, W1.*

### Transport

*From Mr. J. King-Hall*

Sir,—It is just as well that the government's White Paper on airports has emphasised the need for airport authorities and public transport operators to work closely together to co-ordinate interchange facilities involving air, rail and bus services.

In 1971 British Rail's Southern Region introduced a coach service between Feltham Station and Heathrow. This was done, not because the railway believed there was a demand for the facility, but because Waterloo was desperate to get Ministry of Transport approval for its proposed fixed link into the airport which was considerably more expensive than the London Transport scheme: in addition, London Transport had previously introduced a coach link between Hounslow West and Heathrow.

In the event, traffic has grown very quickly on the Feltham coach—50 per cent. over the previous year in 1975, 20 per cent. in 1976 and it was still growing last year. One would therefore have expected some positive product development and marketing. Not only has the frequency of the coach never been increased although trains arrive every ten minutes in both directions throughout the day, but BR is now adopting a wait-and-see attitude in the hope that the traffic will divert to the Underground.

The two railway systems serve different markets which are more-or-less determined by historical railway geography but I fully expect that the growing number of airport workers who have been able to leave their cars at home will find themselves back on the road before the year's end.

James King-Hall.
*19, Hillcrest Road, Bromley, Kent.*

### Participation

*From Mr. B. Cole.*

Sir,—May I echo the congratulations expressed by Mr. Greenhill (February 7) on your coverage of the consultative document on employee share ownership. Not surprisingly, perhaps, I appreciated more the scepticism of Lex: I am a finance director in industry, rather than a consultant.

If Mr. Greenhill's views are accepted, it seems that employee share schemes can only be successfully introduced into companies that already have a very high standard of management and personnel policies. It is surely reasonable to expect that these companies will already introduce such schemes if they really are effective—without the need for any tax incentive or other Government pressure.

There is in fact no evidence to show that employee shareholding as proposed in the consultative document has any beneficial effect on social attitudes or employees' performance. Surely it is incumbent on the profit sharing lobby to produce some evidence to support their case.

Mr. Greenhill has provided warnings against the dangers of introducing schemes into companies that are "not properly geared for such a development," and indicated that a variety of criteria can be used to measure performance. What he has not done, and indeed what nobody has done, is produce evidence that employee shareholding is effective, still less that discriminatory legislation is desirable.

B. A. Cole.
*Drake Wood, Devonshire Avenue, Amersham, Bucks.*

### Damaged

*From the Managing Director, ORC (U.K.).*

Sir,—The other day we received an air parcel from our parent company in New York containing, according to the Customs declaration, 40 sets of loose leaf amendments for manuals we hold here. The box had been cut open and the contents emptied (presumably on the floor as some of the papers bore footprints), dirtied and only partly replaced. Of the contents only 75 per cent could be used thanks to this wanton and destructive activity. Do we have to put up with this sort of thing?

David Young.
*1, Albemarle Street, W1.*

### Scanning

*From Mr. O. Dodd.*

Sir,—We read with interest the comments of Bill Patton of MSI Data Corporation (Technical Page, February 1), advising against hasty introduction of automatic scanning systems to read the European article number at the point of sale, but one very important consideration of the retailer must be the full implications of a choice between checkout scanning equipment and shelf-edge label reading.

Article numbering offers two very important advantages to the retailer, one being speed and accuracy at the checkout which is an essential requirement, and the other stock control and/or stock replacement.

It is not merely a question of choice of equipment, but a fundamental approach to control in the distribution system. Shelf-edge reading is a very accurate and efficient method of entering articles into a system for stock replacement, but re-order quantities still need to be entered manually.

Scanning at the checkout takes control a very important stage further along the distribution chain, and is designed to check some areas which are particularly prone to loss. For example, supermarket experience has identified wrong pricing of goods as a very vulnerable area, and an even more vulnerable area is erroneous price recording at the checkout. These two items together could amount to over £20 000 per annum in a typical supermarket.

Naturally, the benefits accruing from checkout scanning will only justify costs above a certain size of operation. Below this level there is no doubt that symbol marking with EAN will provide beneficial opportunities for shelf label recording. So, in actual fact there is no conflict between scanning at the checkout and shelf-reading—it is a question of degree.

O. A. W. Dodd,
Manager, Co-operatives and Food Distribution,
NCR.
*206, Marylebone Road, N.W.1.*

### Pensions

*From Mr. T. Layborn.*

Sir,—I am afraid Mr. J. English (February 6) has misunderstood my intention in regard to index linking of private occupational schemes. What I had in mind was, if the experts can agree as to what is the right deduction from salary as being the value of index linking, then private schemes should have the opportunity of offering their employees the same deduction which would be paid into a Government fund, which fund would be responsible for index linking in the same way as they are responsible for index linking in the basic and second tier state pension.

T. A. E. Layborn.
*5, Heath Rise, Putney, S.W.15.*

### Agriculture

*From Mr. D. Mitchell, MP.*

Sir,—You report (February 1) Liberal spokesman, Mr. John Pardoe as saying "one way of cutting the dole queues is to employ more people in agriculture. Britain has one of the least efficient agricultural industries in Western Europe and 1m. more jobs could be created on the land." I find myself almost incredulous at so fundamental a misunderstanding both of general business principles and of the state of British agriculture to-day.

One of the most basic principles of efficiency in any producing industry is that of maximum output from minimum labour force. British agriculture on this, and most other, criteria is one of the most efficient in Europe.

Is this a Liberal plot to put up the cost of home grown food or a yearning back to the Lloyd-George theme of three acres and a cow!

David Mitchell.
*House of Commons, S.W.1.*

### Power

*From Mr. J. Strafford.*

Sir,—The Government used to be regarded as the guardian of the taxpayers' purse. As a result of the decision to have a blacklist of companies we have now been placed in the ludicrous position that where two or more firms are competing for a Government contract the lowest tender will not necessarily be accepted. Not on grounds of efficiency or performance but purely because the firm has paid its workers an increase of more than 10 per cent. An increase which it is legally entitled to make.

Were the blacklist an isolated case of the arbitrary use of Government power it would be bad enough, but on top of all the other cases of abuse such as for example the blatant political ependiture of taxpayers' money for the Polish shipbuilding order, I have a depressing feeling that we are witnessing the last gasps of freedom.

I write this letter in sadness not bitterness. Sadness that a nation which has given so much to the world should to-day find itself in such a position. Is it possible that in these last moments of agony we may come to our senses and a way or a leader found to get us out of this mess? If not what will we say to our children when they ask us: "What were you doing Daddy when freedom was lost?"

John E. Strafford.
*"Perama," Fulmer Road, Gerrards Cross, Bucks.*

### Guidelines

*From Mr. P. Froggatt*

Sir,—Dare I be a little bolder than Anthony Furse (February 6) and suggest that Sun Alliance should have no difficulty whatsoever in persuading the Government that the proposed changes to its staff pension scheme are entirely within the guidelines governing the voluntary pay policy. If the Government is not prepared to stand by its original statement that any improvements to pension schemes do not count against the voluntary pay limit then Sun Alliance's answer must surely be to discontinue its pension scheme and then immediately introduce a completely new (but identical) scheme which happens to be non-contributory. Will the Government then say that the introduction of a non-contributory pension scheme has to be taken into account in determining the overall pay limit?

P. J. Froggatt.
*Lonburn Insurance Advisory Service, Zodiac House, 163, London Road, Croydon.*

### Education

*From Mr. C. McNally.*

Sir,—Mr. David Burke says (February 4) that university students in the U.K. should have to repay all or part of the cost of their higher education. They do, in fact, repay the whole of the cost of their higher, and their lower education by paying the cost of the education of their, and other people's children through rates and taxes over the next 40, 50 or 60 years.

C. V. McNally.
*27, Chorley Drive, Sheffield.*

### Co-operation

*From Wendy Marshall.*

Sir,—I was interested to read the letter from Joan Talboys (February 9). I do not think nationality has anything to do with it. I have been working as secretary (not temporary) to the managing director of a company who does not find anything odd in making his own coffee or tea, or even bringing me mine, and, going one step further, even washing up the crockery if I am more busy than he is at the time!

W. Marshall.
*357, Sutherland Ave., Welling, Kent.*

# Motor racing courts the family driver

BY JOHN GRIFFITHS

CEDES' DECISION earlier week to enter a team in afari Rally next month is the latest in a series of r moves by other com- s which once more are ng motorsport into the ard of the motor indus- marketing battles.

ing and rallying, both as rt and business, are now rebuilt after the collision environmental interests o nearly wrecked them in ake of the Yom Kippur At the same time, how- they are undergoing con- ble change in a general by the motor industry to the cars used in competi- more closely resemble bought by the ordinary iver.

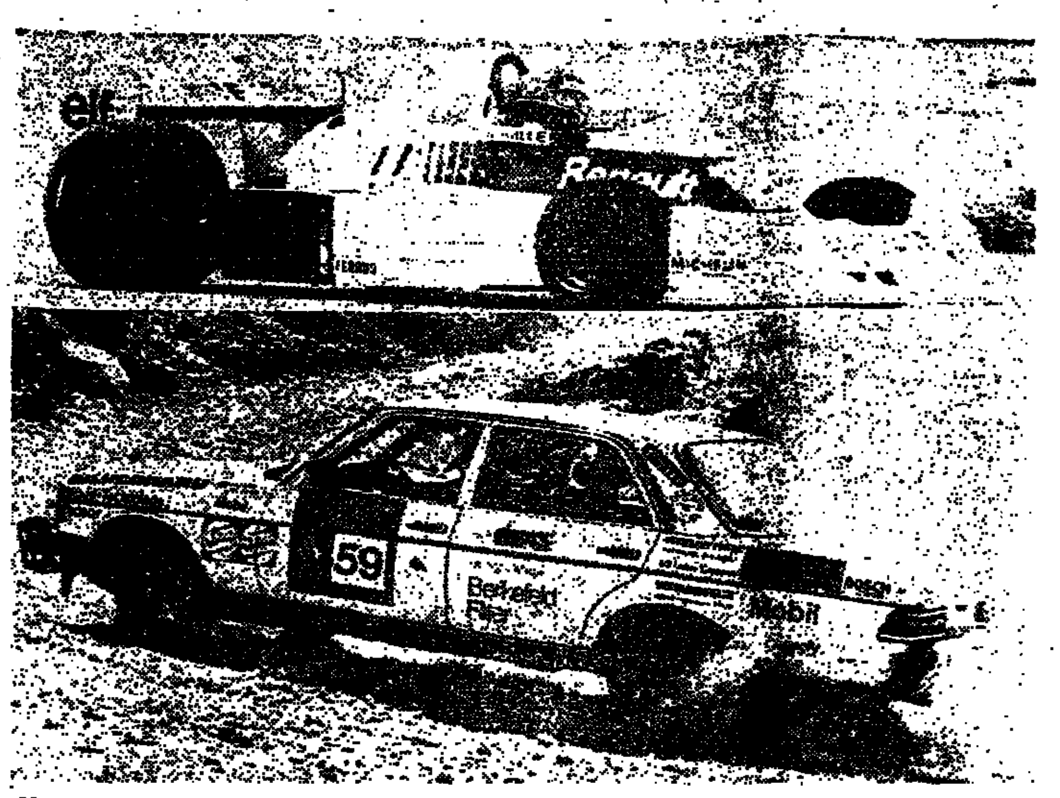
week before the Mercedes Citroen announced it sturning to rallying with cial works team of nearly rd CX 2400s. Renault's in- ent has increased rapidly. uch-publicised Formula Grand Prix and Le Mans r race efforts supplemen- a highly-competitive rally of its diminutive Renault Europe-wide racing cham- ips for the same cars in tion form. Fiat, most not- f all, took the decision 18 s ago to deploy mass-pro- n saloons rather than the Lancia Stratos "wedges" principal competition r. The result: victory in orld Rally Championship headlines-catching battle ord's Escorts and a signi- promotional boost for its ise unexceptional and tional 131 Mirafiori

he 17 makes of car in production in Western e and Scandinavia, only and Audi are not directly involved in competition. Even the East Europeans, in the shape of the Czech Skodas and Russian Ladas, are running teams in the U.K. in both rallying and racing. Among the Japanese, Mazda has just launched a rally championship for its own "hatchback" models—and the championship is already oversubscribed. (Datsun, Toyota, and Mitsubishi race and rally teams have long held an impressive track record).

The number and variety of formulae remain bewildering, but in the past few years "production" competition—where the cars are built to showroom specification plus safety devices—and Group 1, or mildly-tuned rally and racing cars have been receiving an increasing share of manufacturers' and sponsors' attention and finances. Apart from Renault and Mazda, both Ford and British Leyland now run championships for almost standard models.

There are odd exceptions, notably the ferocious-looking, be-winged vehicles which BMW pits against equally bizarre 650-hp Porsches in the confusingly-named Group 5 World Championship of Makes. But the way the wind is blowing is shown by the fact that Porsche—a specialist manufacturer with some of the best technological brains and facilities in the business—has within the past year rejected plans for a return to Formula One Grand Prix racing. The company has come to regard it as a technically irrelevant "profiteering circus," in its present form. Three weeks ago, Porsche Cars Great Britain also announced a racing championship for fully-silenced, road-going versions of its cheapest model, the 924.

Even in the rarified atmosphere of Formula One racing where Renault is the only volume manufacturer directly represented, there is a growing awareness that Grand Prix cars in their current form are zooming ever faster towards a technological never-never land far removed from the production line. Only last week, Mr. Keith Duckworth, chairman of Cosworth Engineering of Northampton and creator of the Cosworth-Ford V8 engine which has dominated Grand Prix for a decade, suggested in a speech to a Royal Automobile Club dinner that the time had come to prepare radical changes for introduction in 1982, when the current, three-year-old three litre formula ends.



Newcomers to the international race and rally scene: Renault's 1½-litre turbo-charged Formula One car (top) and the Mercedes 280E which won last year's London-Sydney Rally as a "private" entry (above). An official team of four cars will contest the Safari Rally next month.

Among Mr. Duckworth's eight arguments for change, two in particular stood out. First there was his suggestion that Formula One racing has to project a more responsible image to an increasingly energy-concious public. Secondly there is a need for "the development of engines which are not only of technical interest but of practical value for commercial application so that finance for development can reasonably be found from engineering rather than publicity (advertising) sources."

Apart, perhaps, from some valuable R and D work by tyre companies on tread compounds, instances of Formula One technical innovations making the transfer to the production line have almost ceased in the past decade. Formula One has become its own self-contained circus, financed mainly by considerable commercial sponsorship, notably from the tobacco companies. Currently, it is riding on a peak of popularity, with gates of 100,000 or more at the 17 or so championship rounds and with heavy coverage in newspapers and on television.

But current costs are frighteningly high—a top team needs £1m. or more for a typical season. Governments in the U.K., mainland Europe and North America are tightening the screws of anti-smoking legislation and are curbing the tobacco companies' promotional activities. The small, highly specialised racing teams are facing development costs of unknown dimensions for whatever new formula emerges by 1982. In these circumstances, Mr. Duckworth's suggestion that it is time for the sport to take a step back towards its commercial engineering grass roots is unlikely to be ignored when the governing Federation Internationale de l'Automobile comes to draw up the new rules in Paris.

The type of chassis is unlikely to change much. Mr. Duckworth argues that what should be scrapped is the cubic capacity criterion which for years has governed Formula One.

The "almost irrelevant" focus on cubic capacity, Mr. Duckworth complains, "has forced all racing engine designers down the path of developing highly sophisticated, expensive engines (a basic Cosworth unit costs £12,500) which are high-revving and have a consequently high fuel consumption and unreliable, short life. While extremely interesting, they are of no practical value whatsoever and will become progressively less defensible as world resources of oil diminish.

"We should, therefore, change to a formula which encourages the talents of designers to produce engines which get the maximum amount of power from a minimum amount of fuel burnt so that development in racing engines will be useful for normal road vehicles and other power plants. . . ."

The current Formula One criterion provides for a maximum capacity of three-litres, normally aspirated by carburetters or fuel injection, and for 1.5 litres if turbo or supercharging is used. In 1982, Mr. Duckworth argues, this should be replaced by one simple rule. This should lay down a maximum limit on the fuel supply to the engine. Leaving aside the more detailed implications for the sport of what precisely the flow rate should be, the essence of the Duckworth argument is that various design paths, with some practical value for commercial production, might be taken in the hunt for maximum efficiency. "The designer can choose," he said, "to work on any capacity of four-stroke, two-stroke or Wankel—normally aspirated, supercharged or turbo-charged, spark ignition or diesel or even a gas turbine. The engine with the most fundamental merits should win."

This already has some relevance to Renault's entry into Formula One, a project even more expensive than the £1½m. it admits it is spending this year on a six-car bid to beat Porsche at Le Mans. Not least the Formula One project is part of Renault's image-building exercise. On the other hand, Renault is alone—at the moment—in running a 1.5 litre turbo-charged unit and clearly is expecting a technical spin-off for road cars.

In turbo-charging exhaust gases drive a turbine which in turn forces a fresh fuel/air mixture into the engine cylinders under pressure. This technique is now becoming more highly regarded as a provider of fuel economy allied with high engine efficiency. Mr. Ralph Broad's Broadspeed organisation has worked closely with Ford on improving engine efficiency. He has forecast that by the mid-1980s a "600/60/60" formula—a 600 cc turbo-charged engine capable of providing 60 miles per gallon consumption at a constant 60 mph—would be on the way to becoming the equivalent of to-day's 1.3 litre saloon. Such a unit has yet to appear, but turbo-charged cars are on sale higher up the market. They are produced by BMW, by TVR of the U.K. and by Porsche. There is also the Saab 99 Turbo, just launched on the U.K. market but already selling well elsewhere.

The Renault team believes Ferrari is also working on a turbo-charged unit similar to its own. To date, the Renault F 1 car has proved unreliable, and it is remaining in the background until Le Mans is out of the way in June. But the Renault Le Mans cars are also turbo-charged. Therefore given Renault's obsession to win the Le Mans 24-hour test of endurance, there is clearly some confidence that the reliability problems are being overcome.

Whatever the outcome, it appears certain that the logjam in engine development, which has lasted for longer than any other period in Formula One history, is being broken up. The large financial resources which Renault can deploy creating one major lever. The specific benefits for the ordinary motorist's car of the middle and late 1980s are far from clear, but production car designers will be watching with considerable interest.

## LABOUR NEWS

## GEC moves to evict occupying storemen

OUR LABOUR STAFF

TELECOMMUNICATIONS seek High Court injunc- o evict workers occupying ctions of its main factory entry.

occupation by 300 store- s started a week ago in at GEC wages. Shop is claimed in a letter to rnold Weinstock, GEC an, the Prime Minister ion leaders that the com- ays the lowest wages in ea.

t 760 production workers een laid off so far. Some joined the storekeepers' tion. More could be laid t week.

says it has offered the epers the maximum under the Government nes.

ur Smith, Midlands Corr., The West Midlands ering Employers' Associa- sterday called for action l with unconstitutional

region last year suffered ghest level of industrial since 1970, Dr. Cedric , the president, told the meeting. About 700 ts, most related to pay, were recorded.

He said 93 per cent. of the disputes took place in breach of jointly agreed national procedures. "This situation needs examination and corrective action."

The association is particularly concerned that the increase should have followed the introduction in 1976 of a disputes procedure designed to speed up treatment of disputes to prevent shop stewards taking industrial action.

Dr. Thomas reported that most companies had managed to settle within the 10 per cent. guidelines, in spite of increased union pressures and claims of around 20 to 30 per cent.

Dr. Thomas noted the downward trend of inflation but he warned: "We must not assume that the battle is won. I suspect that strong reflationary pressures will appear later in the year—headed, not least, by electioneering campaigns—and we must all be prepared to act responsibly to resist them."

The association has more than 1,000 member companies, employing around 400,000 people in the region.

## TUC wins support in bid to keep subsidy intact

OUR LABOUR CORRESPONDENT

TUC yesterday won Euro- ade union support for its to resist EEC Commission s in the Government's rary Employment Subsidy. European Trade Union eration meeting in s agreed to protest Commission attempts to the use of the subsidy o employers who avoid ancies.

Commission believes that bsidy interferes with fair ition, particularly in clothing and footwear ries.

Len Murray, TUC general ry, said yesterday that job es should be encouraged as supported in the view e British measures were ructive and valuable." The union protest was supported by representatives from Eire and Denmark, whose governments have complained about the temporary subsidy.

The European unions are also demanding that the EEC should "urgently prepared positive proposals for protecting and stimulating employment and preventing redundancies."

British officials are trying to pursuade the Commission that the subsidy does not have the alleged distorting effect on competition and should continue.

If the Commission insists upon changes, a short-time working subsidy will be introduced, although neither unions nor employers believe that this would be an adequate substitute to Temporary Employment Subsidy.

## Young workers warned against dead-end jobs

ALAN PIKE, LABOUR CORRESPONDENT

IRING a skill is the most e way for a person to arm f against unemployment, eoffrey Holland, director Manpower Services Com- special programmes divi- old the TUC youth confer- London yesterday.

surveys showed that the unemployed were predomi- those who had left school w academic qualifications. unskilled jobs—those in the least academically ed had traditionally found irst toehold in work—were sappearing due to techno- developments.

other important conse- of these changes is that opportunities for young people to learn on the job are slowly but surely diminishing as increasingly expensive and advanced technological systems and plant are installed."

Mr. David Basnett, TUC chairman, told delegates that the present level of unemployment, which in the last three years had risen by up to 600 per cent. for some age groups under 24, could not be tolerated by the trade union movement.

"We cannot as a society allow to develop a continuing chronic level of unemployment among the young. It is socially unjust, it is economic nonsense and it is political dynamite."

## Building society receipts fell unexpectedly last month

BY MICHAEL CASSELL

BUILDING SOCIETY receipts fell unexpectedly in January, normally one of the best months.

Net receipts dropped to their lowest point since last August. The societies took in £388m., which was £33m. down on the December total and over £200m. down on the October 1977 peak of £590m.

According to the societies, one explanation for the lower level of net receipts is that people were having to find money to finance Christmas expenditure which was undertaken with the use of credit cards. It also seems probable that the switching over of capital from other investments into the building societies, which was partly responsible for the high level of receipts in October and November, has now almost stopped.

The January figure, however, is still a historically high one, four times greater than in January last year for example, and societies will be happy if net receipts remain at about this level.

There are signs that the inflow of funds turned upwards towards the end of January, a trend which has so far continued during February, despite the cut in investors' rates which took effect at the start of the month.

Commenting on the January results, Mr. Norman Griggs, secretary general of the Building Societies Association, said: "The position remains buoyant. Net receipts of cash around the £400m. mark seem likely to continue during the months ahead.

"With interest credited to investors' accounts and capital repaid by existing borrowers, this figure should enable mortgages totalling £700m. to be granted each month. This should satisfy all reasonable demands for home loans without overheating the housing market."

In January, advances fell below the monthly target and totalled £658m. against £689m. in December. The figure represented the lowest monthly lending total since last September, although it remains a high one for this time of year.

### House prices

Similarly, a figure of £728m. for new commitments was not as high as it has been in some recent months, but it still represents an exceptionally good performance for January. At the end of last month, societies were committed to lending a combined total of £1.81bn. against £1.09bn. at the end of January 1977.

The January "hiccup" will not alter the societies' proposed mortgage lending target of about £8.5bn. for the year as a whole. Last year the movement advanced £6.72bn. on 715,000 loans.

The Government and the societies, through their joint advisory committee, expect the £8.5bn. target to be met without it having any undesirable effects on house prices.

Forecasts as to what will happen to average prices during 1978 vary from the official 12 per cent. line up to nearer 20 per cent. Many society executives believe that present market trends indicate that price rises will be nearer the top end of the scale.

It is not known how the Government would react to increases of this order, which would certainly be higher than had been expected to occur under the £8.5bn. lending programme.

Ministers would certainly be reluctant to allow the societies to exceed this level, even if they found it easy to do so, and they could even consider suggesting a cut in the existing target if they imagined prices were running ahead too quickly.

Whatever happens, the societies have themselves rarely been in a stronger position. Average liquidity for all societies at the end of January was just under 21 per cent, slightly lower than at the end of 1977 because of tax and interest payments, but still high enough to ensure that high lending programmes can be maintained whatever the level of monthly receipts.

## Commission to investigate cement industry prices

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE PRICE Commission is to investigate price rises proposed by IPC Magazines and Associated Portland Cement Manufacturers.

The latter investigation will allow it to scrutinise the price structure of the whole cement industry which is one of the few groups which are allowed to calculate its prices jointly.

In choosing to investigate Associated Portland Cement's prices, the commission has picked the largest of the companies which are party to the cement manufacturers' Common Price Agreement.

This agreement, which has twice been successfully defended in the Restrictive Trade Practices Court, provides for a committee of independent experts to calculate the increases needed for the industry on the basis of average costs.

The notification this time is believed to have been for a rise of just under 10 per cent. The products covered by the notification included ordinary and rapid hardening cement.

IPC Magazines told the commission in the middle of January that it wanted to raise cover prices of 26 magazines. The proposed increases included a 1p rise for Woman and Woman's Own, and 5p on Homes and Gardens and Ideal Home.

## January truck and van sales highest for three years

BY STUART ALEXANDER

TRUCK AND van sales were again strong in January. Coupled with the surge in the car market this means that the motor industry had a good month overall and is now optimistic about sustained growth for the first six months.

Sales of all vans and trucks were up by over 30 per cent. on the same month last year. At 22,103, this was the highest January figure for three years.

All sectors of the market benefited from the improvement. Although some gains were made by importers, home producers also enjoyed an increase in volume.

While some of the increase can be accounted for by operators having to replace vehicles which have been kept on far longer than normal, the good results are also thought to reflect some optimism for an improved economy in 1978.

Ford was again the market leader, taking 38.3 per cent. of the market with 8,470 vehicles. Second was British Leyland with 23.5 per cent., third Bedford with 13.5 per cent., and fourth Chrysler with 5.2 per cent., according to figures issued by the Society of Motor Manufacturers and Traders yesterday.

British Leyland led the way in light vans, taking 34.6 per cent. of a market that was 20.7 per cent. up on January 1977 at 6,805.

### Improved

Ford was second, Bedford third and Chrysler fourth. Both Datsun and Honda also improved volume in this sector with Datsun taking marginally over 5 per cent. compared with 2.18 per cent. in January 1977.

Medium vans, which include the Ford Transit and the Leyland Sherpa, were up by 43.7 per cent. on last year. Ford topped the league with sales of 4,209 to give it a 48.5 per cent. share compared with January 1977 when it sold 2,579 for a 42.7 per cent. share.

British Leyland was second with 15.3 per cent. and Bedford third with 9.9 per cent. Most successful Japanese manufacturer was Toyota with 5.3 per cent. compared with 2.6 per cent. in January 1977.

Heavy trucks and articulated lorries, one of the most fiercely competitive sectors, went up by 35.1 per cent. to 6,157, with importers taking 16.3 per cent. compared with 15.4 per cent.

Ford was again market leader, more than doubling sales to 2,135 for a 35.4 per cent. share of the sector when 45 Dutch-built heavy tractors are added in.

British Leyland slipped slightly in volume from 1,064 to 1,061 and more seriously in market share from 28.3 per cent. to 17.2 per cent.

## Economic Diary

SUNDAY—Mrs. Margaret Thatcher, Conservative Leader, addresses Young Conservatives conference, Royal Hall, Harrogate. Increase in price of tin-plate.

MONDAY—European Central Bankers begin two-day meeting in Basle. Officials of Boilermakers' Amalgamation meet senior executives of British Shipbuilders on pay dispute, Newcastle. Two-day meeting of EEC Agriculture Ministers opens, Brussels. European Parliament session opens, Strasburg. Retail sales (Jan.-prov.). Turnover of catering trades (4th qtr.). Northern Ireland trade unionists launch "Better Life for All Campaign."

TUESDAY—Balance of payments current account and overseas trade figures (Jan.). Index of industrial production (Dec.-prov.). GLC budget meeting.

WEDNESDAY—Prime Minister is guest of honour at Institute of Export luncheon, Connaught Rooms, WC2, 1 p.m. Power workers pay talks resume, Electricity Council, Millbank, SW1. CBI monthly council meeting. Basic rates of wages and normal weekly hours (Jan.). Monthly index of average earnings (Dec.).

THURSDAY—U.K. banks' assets and liabilities and the money stock (mid-Jan.). London dollar and sterling certificates of deposits (mid-Jan.). Statement by Mrs. Shirley Williams, Education Secretary, at conclusion of International Baccalaureate conference, Lancaster House. Central Transport and Transport Users Consultative Committee reports. Mr. Freddie Laker, chairman of Laker Airways, at American Chamber of Commerce luncheon, Savoy Hotel, WC2. Building Societies mortgage survey 5 per cent. sample survey results (4th qtr.). Consumers' expenditure (4th qtr.—2nd prelim. estimate). Cyclical indicators for the U.K. economy (Jan.).

FRIDAY—Mr. Denis Healey, Chancellor of the Exchequer, opens "Britain's Economic Prospects" conference, New Ambassadors Hotel, WC1. Retail prices index (Jan.).

SATURDAY—Power workers shop stewards discuss pay, Doncaster Working Men's Club.

# COMPANY NEWS

## Charterhouse sells loss maker

*Charterhouse Group*, with interests ranging from banking to engineering, has sold the site and stocks of the pre-cast concrete *framed building business Charcon* **Structures to Bell and Webster**, a subsidiary of Eleco Holdings, for £240,000. The written down book *value of the assets is £270,000.*

Charcon Structures made trading losses of £1.3m. in the last financial year ending September *30, 1977. Nearly two-fifths of that* was due to the architectural panel business which was closed down earlier in the financial year, and *much of the rest was due to* closure costs.

As a result of the problems in Charcon Structures profitability *in the other five subsidiaries of* the Charcon construction products division was eliminated. Overall results of the division *showed a loss before interest of* £1.04m.

The latest move marks another in a series of rationalisation *attempts made by Charterhouse* in the Charcon group over the last five years. Five years ago there were 2,700 employees and *17 factories. Now there are six* factories with 1,100 employees. The cutbacks reflect the deepening construction recession.

*The Charcon group now consists* of companies manufacturing concrete flags, kerbs, tunnel linings, and concrete piles.

## Equity & Law guaranteed bonds

**Equity and Law Life Assurance Society** is currently marketing two guaranteed bonds with an investment period of five years in each case, providing an attractive return to investors. The first is the **Guaranteed Growth Bond** for investors seeking secure guaranteed capital appreciation. This provides for each £2,000 invested a guaranteed gross return of £3,261, which allowing for basic rate tax at 34 per cent. provides a net return of £2,832—a net yield of 7.2 per cent. per annum (grossed-up equivalent of 10.9 per cent. for basic rate taxpayers).

For investors requiring income, the company offer the **Guaranteed** *Income Bond* providing a yield for males on the first £2,000 invested varying from 7.02 per cent. net at age 18 to 50 to 7.22 per cent. for *ages over 70.* The yields for additional amounts invested are slightly higher varying from 7.26 per cent. to £7.48 per cent. respec*tively.* For women, the returns are slightly lower at the older ages. At the end of the five years, the initial investment is returned *for basic rate taxpayers.*

The minimum investment for each bond is £2,000 and higher rate taxpayers should check with *the company* the returns applicable to them.

## James Warren deficit

A pre-tax loss of £159,000 for 1977 compared with £281,000 for the previous 15 months is reported by **James Warren and Company**. Turnover for the period amounted to £3.76m. against £11.54m., and from this the resultant trading profit fell from £397,000 to £12,000.

The taxable loss was incurred after interest of £132,000 *(£392,000), share of associated* company's loss £4,000 (£84,000 profit), profit on subsidiaries sold or no longer trading £3,000 *(£370,000 loss) and a loss of* £38,000 on the share of associated company sold during the year.

Tax for the 12 months took *£28,000 (£54,000) and there were* extraordinary debits of £0.2m. (£1.01m.). Again there is no dividend. The last payment was a total 9.45p net on account of 1974.

Since the announcement of January 17, the **Boards of Talbex** Group and James Warren and Co. have reached agreement whereby the terms of the 11½ per cent. Conv. Uns Loan Stock 1983 to be created by Talbex to satisfy acceptance of the Pref offer and *to be offered in exchange for the* Warren Loan Stock, will be amended as follows:

Holders of the Talbex stock will be entitled from December, 1979, as an alternative to converting all or part of their stock in June and December. In any year, to obtain repayment of all or part of their holdings at par. The Talbex stock will therefore be redesignated 11½ per cent. Conv. Red. Uns. Loan Stock 1979/83.

Save as above, the terms of the Press announcement of January 17 remain unchanged.

## Expansion at Deborah Services

*TAXABLE PROFITS* for the six months to September 30, 1977, of **Deborah Services** rose by 50 per cent. from £340,000 to £510,000, on *sales of £4.4m., against £3.15m.*

Mr. A. L. Britton, the chairman, states that the outlook for the rest of the current year remains good and he is hopeful that the previous year's results will be exceeded—for 1976-77, the company earned £746,000 profit.

Tax for the half year took £284,000 (£190,000) leaving attributable profit up from £150,000 to £226,000. Earnings per 5p share are given as 8.4p (5.6p) and the company is paying on March 20 an interim dividend of 1.32p net on increased capital.

A divisional breakdown of profits shows (in £000's), scaffolding £233 (£111), insulation £253 (£174), building equipment £24 (£60) and engineering nil (£5 deficit).

During the period the company consolidated its activities in Aberdeen and the Shetland Islands and has now received several large contracts in that area, adds the chairman.

Contract scaffolding improved but the building equipment division results continue to reflect the low level of activity in the construction industry and also the cost of setting up the Manchester depot.

*Mr. Britton reports that over*seas activities continue, the Singapore joint venture has now commenced and a similar venture in Norway should become operative during the current year.

The shares of the company, which has "close" status, are *traded on the over-the-counter* market.

## DIVIDENDS ANNOUNCED

| | | Current payment | Date of payment | Corresponding div. | Total for year | Total last year |
|---|---|---|---|---|---|---|
| Customagic | int. | Nil | — | 0.45 | — | 0.45 |
| Elbief | int. | 0.35 | Apr. 14 | 0.35 | — | 1.02 |

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

## Marshall's receives partial bid

SHARES OF **Marshall's** *Universal*, the Peugeot and Honda car distributors, were suspended yesterday following a partial bid *approach.*

The directors say that they have not yet established the authenticity of a bid letter which they *have received, but in the light of* the volatility of the shares over the past few days decided to seek suspension.

*Marshall's shares were sus*pended at 158p having risen as high as 162p at one stage. The previous Friday they had stood at *138p. At the suspended price* Marshall's is valued at £7.8m.

The announcement also fuelled a 7½p rise in the price of the *shares of West of England* Trust to 46p. Weste of England has a 26.16 per cent. stake in Marshall's, having sold roughly 5 per cent. in *December. Yesterday it said that* it had not been approached to *sell its stake.*

Motor distributors, as a sector, *has been a popular takeover* target for some months. Last April Lloyds and Scottish acquired a 23 per cent. stake in *taxi makers Mann and Overton,* which formed the basis for a successful full scale takeover in June. The Bank of Scotland subsidiary, *North West Securities,* emerged as the buyer of Heron Motor Group's 26 per cent. stake in Henleys in December.

At the same time the Inchcape Group mounted a successful £10m. bid for Pride and Clarke, the Toyota importers, having earlier acquired motor distributors Mann Egerton.

Inchcape was also mooted as the possible bidder for Marshall's. Some £2m. of last year's trading profits at Marshall's were generated in East Africa, and Inchcape also has important associates there. The Honda franchise which Marshall's acquired a year ago was also thought to be complementary to Pride and Clarke. However, a spokesman for Inchcape said yesterday that the company was definitely not the bidder.

The Heron Motor Group has also denied any interest. Mr. Gerald Ronson said yesterday that Heron had once looked at Marshall's but had decided against a bid.

## Bank Bridge settles with D. Dixon

The **Bank Bridge Group** and *David Dixon have now resolved* their long running dispute in all respects.

The settlement of the debt of *£710,025 due to David Dixon from* Muring Securities and guaranteed by Bank Bridge has been made. This follows confirmation by the *High Court* that 592,634 Ordinary shares in David Dixon, formerly held by Bank Bridge, had been cancelled; the reduction in David Dixon's share premium account; and the allotment of 2m. Ordinary shares by Bank Bridge to David Dixon. A listing has been granted by the Stock Exchange council.

With effect from January 1, 1978 the rate of dividend on the 6 per cent. (known as 4.2 per cent.) preference shares will also be increased to a new rate of 7 per cent. net.

## Hawkins & Tipson confident

Mr. J. E. Hawkins, chairman of **Hawkins and Tipson**, confirmed to shareholders at the annual meeting an earlier forecast, made in the report and accounts, that profits for the year would be equal to or exceed those for the *year ending August 1977.*

"With the first few months behind us it seems that this prediction can be confirmed, provided *we are not faced with too many* unpleasant shocks such as a strike of power workers," he said.

Referring to the purchase of *Listers Teak Garden Furniture,* the chairman said altogether, without new buildings at Hailsham, the group paid about *£550,000* to Hawker Siddeley for the whole unit. He is confident of making very good profits from this new acquisition and once established it should add about £1m. to the domestic division turnover.

## Standstill at Weber

Pre-tax profit of **Weber Holdings** for 1977 was virtually un*changed at £111,101,* compared with £112,288. Tax took £53,576, against £54,657.

The dividend total for the year *is lifted from 10.11p to 10.25p* with a final payment of 8.5p net.

## London & Gartmore

There was a marginal decrease in gross revenue from £101,193 to £97,210 at **London and Gartmore** *Investment Trust* in the half year to December 31, 1977, largely due to the timing of income received from gilt edged holdings. After *tax lower at £7,288, against £8,862,* net revenue was at £7,885 (£8,238).

but the directors anticipate an increase in full-year earnings.

For 1976/77 net revenue was £23,774. *At halftime total net* assets at market value, including full dollar premium where applicable, of 32.5 per cent. (41.75 per *cent.), were down at £5.17m.* (£5.42m.)—equivalent to a per share value of 85p (88p).

Earnings per 50p share for the period are stated at 0.186p (0.194p). Debenture and loan interest amounted to £69,723 (£73,554).

The final dividend is 3.2p net for a total per 25p share of 4.7p (4.1p).

*At January 15 the asset value* per 25p Ordinary share was 201.47p (174.02p) and the value per 10p Conv. Ord. 169.23p *(142.7p).*

## W. Ransom up £47,000 at midway

On turnover ahead from £884,500 to £1,223,000 taxable profit of **William Ransom and Son,** manufacturing chemist, rose from £185,000 to £232,000 in the September 30, 1977, half year.

Directors say that although turnover has continued at a satisfactory level they expect the second half profit to be similar to the £364,118 achieved in the same period of 1976-77.

The first-half result is subject to tax of £120,640 compared with £96,200 and earnings per share are given at 7.44p against 5.93p.

The interim dividend is lifted *to 1.78p gross per 10p share from* 1.5987p last time (1.0392p net).

## General Funds revenue up

For the year to January 15, 1978 **General Funds Investment Trust** reports revenue after tax of *£279,193,* compared with £235,436 for the corresponding period.

## Customagic loss £15,800 in first half

Following on the fall into a *£164,000 pre-tax loss in the second* half of 1976/77, **Customagic Manufacturing Co.** reports a deficit of £15,806 for the first six months of the current year. Sales for the half-year, which ended October 31, 1977, were down £0.5m. at £1.9m.

The loss is shown after crediting a temporary employment subsidy of £136,000. There is no interim dividend this time. For last year the only payment was a net interim dividend of 0.45p per 10p share. First half tax nil *(£7,000).*

In November the directors said that the re-organisation of retailing activities was going more *slowly than originally anticipated.*

Mr. M. A. Ashcroft and Mr. A. M. Cloggie, have acquired, through companies in which they have *interest, 20 per cent. of the* equity. Mr. Ashcroft has been appointed deputy chairman and Mr. Cloggie, managing director.

*Mr. Sidney Terry,* Mr. G. Truman and Mr. I. A. Phillips have resigned from the Board and Mr. Bernard Terry will not be seeking re-election at the next annual meeting.

Sir Cecil Burney, the chairman, says the re-organisation of the Board has the support of the Terry family.

## Elbief looks to second half for better margins

DESPITE AN encouraging start at **Elbief Company**, makers of leathergoods accessories and pic*ture frames, turnover remained at* a disappointingly low level until towards the end of the half year to October 31, 1977, when there were *improving trends resulting* in pre-tax profits little changed at £121,000, against £117,000.

The improved trend in turnover *has continued since the end of* the period and with continuing efforts to restrain costs and absorb overheads, the directors say that profit margins are beginning to show some recovery from the very low levels experienced in recent years.

Tax for the half year before any stock inflation relief took £37,000 (£61,000). The net interim dividend is kept at 0.35p per 5p share, costing £29,816 (£16,831) after waivers by some directors and their associates on 4,131,250 (7,841,250) shares—for all 1976-1977 payments totalled 1.0155p from £300,461 profit.

share of the U.K. and international construction markets, and by acquisition."

## Norwest Holst reorganises in U.K.

NORWEST HOLST, the building and civil engineering concern which recently lost its appeal against a *Department of Trade* inquiry, yesterday announced details of a reorganisation of its U.K. activities.

*There will be five divisions:* Norwest Holst Southern, Norwest Holst Northern, Norwest Holst Western, Norwest Holst Civil En*gineering; and* Norwest *Holst* Specialised Services.

Mr. Ted Brian, chief executive of the group said that the purpose of the reorganisation was "to strengthen the operational management of the group and to gear Norwest Holst for further sub*stantial growth, both organically* through increasing its market

## U.S. & General pessimistic but dividend safe

Revenue for **United States and General Trust Corporation** in the current year may not compare favourably with that for 1977, but the directors expect to maintain *the dividend without calling upon* the company's considerable revenue reserves, Mr. William Merton, the chairman, tells members.

He also announces a proposal to increase the directors' fees from the present £1,000 for each director and £1,250 for the chairman. This rate has not been changed for 15 years and the proposal is to raise the overall limit to £12,000 although it is not intended to reach this limit for some years, the chairman states. *Currently the Board comprises* five members.

The year will show the full effect of the repayment of the *two debenture stocks and income* from overseas investments will suffer in translation, from the strength of sterling.

*In addition many of the best managed* companies in the U.K. which were successful in exporting competitively when the U.K. *economy was in recession will be* adversely affected by a strong sterling and a rate of inflation higher than their overseas com*petitors, Mr. Merton says.*

Against this rather cloudy outlook however the abolition of the rule under which 25 per cent. of *proceeds from disposal of invest*ment currency holdings had to be surrendered at the official rate, is one recent favourable *development. This long overdue* step will remove a serious obstacle to the efficient management of the company's overseas *investments, he adds.*

For 1977, on gross revenue ahead at £1.01m. (£951,865) taxable revenue expanded to £944,253 *(£855,035) — as reported on* January 19. The net dividend is raised to 5.94p (4.94p) per 25p share.

*Total net assets at year end* amounted to £20.33m. (£19.52m.) equivalent to 240p (220p) per share. Investments, with a market value *totalling* £20.08m. (£19.14m.) were distributed according to the following percentages: U.K. 65.4 (51.4); North *America 26 (37.4); Far East 6.4* (9.2); and other countries 2.2 (2).

Liquidity over the year declined by £10,000 (£229,000).

Meeting, Bucklersbury House, EC, on March 8 at 2.30 p.m.

## Results due next week

The highlight of next week's company news list is full-year results from **Lloyds Bank** but interest will also be focussed on *preliminary announcements from* **Nottingham Manufacturing** and **Birmid Qualcast**, and interim figures from **Dalgety**.

*Analysts are fairly confident* about their forecasts for full year profits of **Lloyds Bank**, due out on Friday. With the results of major overseas subsidiaries (one-third of profits) and the associates Lloyds and Scottish and Grindlays, already known, they see group *profits of about £156m., against* £147.7m. in the previous year. That gives a second half out-turn of about £24m. less than the £90.1m. earned in the first six months. The major depressing factor in the latter half will be the domestic clearing banks, where the effect of falling interest rates will more than offset any benefits from increased charges.

The market is looking for £9m.-£9.5m. pre-tax, against £8.1m. from **Dalgety**, *the international* merchant, when it declares half-year results for the six months to December 31 on Wednesday. An *improving housebuilding cycle in* Canada will have helped performance in the Canadian lumber-related activities which last time *turned in £2.2m. But the New* Zealand economy is in a mess. With wool prices coming off the top, demand could be down for *Dalgety's farm products. Even* so with some improvement in the U.K., the turnround in the U.S. operations (which will be helped *during the year by the acquisition* of Kelley Farquar the frozen vegetable processing company) and rationalisation in Australia, Dalgety could turn in £20m. for *the full year.*

After turning in £4.54m. at halfway, analysts expect **Nottingham Manufacturing** to report profits *of between £13.5m. and £14m.* when full-year results are announced on Monday, compared with £11.27m. last time. The car*pet side (through the Lancaster* subsidiary) is dragging along with other U.K. manufacturers but the company's major activi*ties in* knitted outwear and hosiery are thought to have done well, in spite of a five-week strike. The company has close ties with *Marks and Spencer*, which takes about one-third of group sales. In July last year the company increased its stake in fellow M and S supplier Wood Bastow to almost 20 per cent.

**Birmid Qualcast's** full year figures due on Tuesday are expected to be depressed follow*ing a series of disputes,* both internal and at outside customers, which disrupted production in the important castings division last *year.* The market is generally expecting pre-tax profits to be below last year's annualised level of £11.6m. although there is one forecast of £12m. At the interim stage pre-tax profits were up from £6.2m. to £6.4m. but since then there have been further disputes in the motor industry while Birmid has also had its own industrial troubles. Meanwhile lawnmower sales are thought to have been flat with retailers last year still carrying high stocks following the previous year's drought.

Other results to note are *interims from* **John Haggas** (Tuesday), **MFI Furniture Centres** (Tuesday), **Wedgwood** (Friday) and a preliminary from **Albright and Wilson** (Thursday).

| Company | Announcement due | Dividend (p)* Last year Int. | Final | This year Int. |
|---|---|---|---|---|
| **FINAL DIVIDENDS** | | | | |
| AC Cars | Tuesday | 0.35 | 0.6 | 0.35 |
| Adams and Gibbons | Thursday | 0.875 | 3.075 | 0.975 |
| Albright and Wilson | Thursday | 1.84 | 2.289 | 2.0 |
| *Barth and Portland* | *Wednesday* | 1.25 | 1.843 | 1.5 |
| Birmid Qualcast | Wednesday | 1.225 | 2.761 | 1.35 |
| W. Canning | Tuesday | 0.44 | 2.7395 | 1.5 |
| Cornell Dresses | Wednesday | 0.3 | Nil | Nil |
| Crest Nicholson | Tuesday | 0.7 | 2.23 | 1.0 |
| *Debenture Corporation* | *Thursday* | 0.85 | 1.9 | 1.0 |
| Drake and Scull Holdings | Tuesday | — | Nil | — |
| Foreign and Colonial Investment Trust | Wednesday | 0.45 | 2.05 | 1.0 |
| General Consolidated Investment Trust | Tuesday | 1.0 | 2.1 | 1.2 |
| H. T. Investments | Friday | — | 3.75 | — |
| *Ladies Pride Outerwear* | *Monday* | 0.692 | 1.4077 | 0.76 |
| Lloyds Bank | Friday | 3.715 | 4.422 | 4.15 |
| Donald Macpherson Group | Tuesday | 0.555 | 1.302 | 0.641 |
| Manchester Ship Canal Company | Monday | 6.5 | 7.349(a) | 6.5 |
| Newbold and Burton Holdings | Thursday | 1.073 | 1.43 | 1.198 |
| *New York & Gartmore Inv. Trust* | *Thursday* | — | 0.7 | — |
| Nottingham Manufacturing Company | Monday | 0.829 | 2.075 | 0.912 |
| Plastics Constructions | Monday | 1.25 | 2.465 | 1.75 |
| Reliable Properties | | Nil | Nil | Nil |
| River & Mercantile Trust | Thursday | 2.5 | 4.5 | 3.0 |
| *River Plate & General Inv. Trust* | Thursday | 1.2 | 3.8 | 1.5 |
| Romney Trust | Thursday | 0.7 | 1.65 | 0.8 |
| St. Andrew Trust | Thursday | 1.25 | 2.4 | 1.5 |
| Scottish Western Investment Company | Monday | 0.5 | 1.45 | 0.6 |
| Shires Investment Company | Thursday | 2.6 | 4.58† | 3.0 |
| Thermal Syndicate | Tuesday | 2.5 | 3.5 | 3.0 |
| Waon Finance Corporation | Friday | — | 3.75 | 1.25 |
| Bernard Wardle and Co | Tuesday | 0.458 | 0.7 | 0.5 |
| Webster's Publications | Friday | 0.269 | 0.931 | 0.336 |
| Thomas Witter and Co | Wednesday | 0.65 | 2.153 | 0.66 |
| Yeoman Investment Trust | Wednesday | 2.275 | 4.225 | 2.64 |

| Company | Announcement due | Dividend (p)* Last year Int. | Final | This year Int. |
|---|---|---|---|---|
| **INTERIM DIVIDENDS** | | | | |
| Ariel Industries | Monday | 0.75 | 1.15 | |
| Brown Brothers Corporation | Thursday | 0.2 | 0.75(b) | |
| Dalgety | Wednesday | 5.239 | 6.459 | |
| Ecoua | Thursday | 1.2 | 3.5 | 1.5 |
| John Haggas | Tuesday | 0.2 | 0.472 | |
| Helical Bar | Thursday | 1.5 | 0.559† | |
| John James Group of Companies | Wednesday | 1.036 | 1.402 | |
| JCEG | Tuesday | 0.45 | Nil | |
| Meat Trade Suppliers | Tuesday | 2.25 | 3.96 | |
| MFI Furniture Centres | Tuesday | 1.56 | 2.376 | |
| Palmerston Investment Trust | Monday | 0.532 | 1.04 | |
| Press Tools | Monday | 0.575 | 0.957 | |
| Regional Properties | Wednesday | Nil | 0.65 | |
| Reliance Knitwear Group | Wednesday | 0.23 | 0.409 | |
| Stewart Plastics | Wednesday | 1.0 | 1.791 | |
| Throgmorton Secured Growth Trust | Thursday | 0.813 | 1.263 | |
| United Real Property Trust | Wednesday | 1.25 | 2.9 | |
| Joseph Webb & Co | Friday | 1.0 | 1.0 | |
| Wades Departmental Stores | Tuesday | 0.627 | 1.75 | |
| Wedgwood | Friday | 2.0 | 3.7 | |
| Western Canada Investment Company | Monday | 4.0 | 12.0 | |
| **FINAL FIGURES ONLY** | | | | |
| Crescent Japan Investment Trust | Tuesday | | | |
| Porvair | Tuesday | 0.191 | 0.391 | |
| **INTERIM FIGURES ONLY** | | | | |
| Caledonian Trust Company | Monday | | | |
| Town and City Properties | Wednesday | | | |
| Witan Investment Company | Thursday‡ | | | |

* Dividends shown net, pence per share and adjusted for any intervening scrip issue. † Second interim in lieu of final. ‡ Third-quarter figures. § Includes special dividend of 0.0179p. ¶ Includes special dividend of 0.021p. (a) Includes special dividend of 0.115p. (b) First interim of 0.5p already paid, second interim due in this 15-month period.

## Payable gold at Homestake

**Homestake Mining** said its gold mine made about $3m. (£1.55m.) in pre-tax operating earnings in 1977 compared with a loss of $1.5m. in the previous year. About $1.2m. of the gold mine earnings came in the fourth quarter.

The increased gold profits reflected higher bullion prices which averaged about $147.47 per ounce in 1977 compared with $124.71 in 1976. The gold division, *including income from the bulldog silver mine*, contributed about 13 per cent. of Homestake's 1977 operating earnings.

## IN BRIEF

**INTEREUROPEAN PROPERTY HOLDINGS**—Results, for year to July 31, 1977, and directors' comments on prospects reported February 2. Group fixed assets £22.49m. (£22.72m.). Net current liabilities £4.28m. (£4.39m.). Decrease in bank balances and cash £156,000 (£86,000 increase). Meeting, 16, Oxford Street, W, on April 28 at 11 a.m.

**GOUGH COOPER AND COMPANY** (house-builders, etc)—Results for year to *September 30, 1977, reported January 21.* Fixed assets £2.05m. (£1.5m.), net current assets £4.26m. (£4.47m.). Bank overdraft and short-term loans £1.14m. (£1.72m.), working capital decreased by £0.32m. (£1.58m.). *Meeting, Bromley, Kent,* March 3, at noon.

*Trevor Humphries*

**Mr. Denys Randolph and Mr. Christopher Lewinton, chairman and managing director respectively of Wilkinson Match, which is planning a major move into North America through the purchase of True Temper, a subsidiary of the Allegheny Ludlum specialist steels group. *Revised terms of the acquisition were announced on Thursday,* following a full accountants' report on True Temper. A formal document is now expected to be sent out within a fortnight and shareholders will be given the opportunity to vote on the scheme a further two weeks later. If approved, Allegheny will own shares representing 44.4 per cent. of Wilkinson Match.**

### UNIT TRUSTS

## Appeal of the specialist funds

ALL THE EVIDENCE so far *presented to the Royal Commission* on the Distribution of Income and Wealth tends to confirm what observation suggests anyway: that, *particularly in the past 20 years,* the rich in Britain have been getting less rich, and the poor less poor. Last week's evidence from the Central Statistical Office, indicating that the net wealth of "households" had shrunk from 3.5 times total personal income in 1966 to 2.9 times in 1976, again confirms the trend. But it isn't so much that the wealth of *individuals has shrunk, as that the* incomes of individuals have risen.

Strictly speaking all this ought to be great news for the unit trust industry, which has traditionally presented itself as the best way for the smaller investor to enter the equity market. And indeed, it's to obtain some share of the action implied in those rising incomes that the industry has developed in such a big way into unit-linked life assurance, through which regular savers can obtain the benefits of pound cost averaging and tax relief.

*Given those benefits, it's small* wonder the unit-linked sales have gone so well, even during the industry's darkest days in the middle of last year, when many of those who put capital in in the first place seized the opportunity to take it out again. What is less easy to explain is the paradoxical situation which some unit trust groups are now experiencing, in which there is an influx of investors with substantial portfolios —of £10,000 upwards—and a curious lack of interest from those with very much less.

Of course the industry itself has made it plain that the smallest of small investors are no longer too welcome, though there are still several groups prepared to take initial investments of £200 and under—one of them, Piccadilly, has units on offer this week. But the theory within the industry is that while the more substantial private investor appreciate the capital gains tax advantages which unit trusts have to offer at the moment, the smaller investor wants more excitement in his life than a well-spread portfolio can provide.

*It is to satisfy those cravings* for a more exciting level of *growth than a general fund can provide* that the specialist trusts exist. There are units from three of them on offer this week, and *they have one characteristic in* common: when their price rises, it will rise fast. In the case of at least one of them, it will be *rising from a very low base:* for the North American markets in which Britannia North America is invested have been going *through a very tough time indeed.* As the managers point out, with the exception of a brief period during 1974, U.S. stock markets are now at their lowest level for over 25 years.

Britannia's offer is shrewdly timed, for the signs are that whatever the Americans think of their *economy, many U.K. investors* view it with a bargain-hunter's eye. This is why the discount on the shares of those investment *trusts invested in North America* has shrunk to levels well short of those endured by the sector as a whole. So far, of course, the unit trusts have seen none of the improvement in performance which the investment trusts can claim as a result, for unit trust prices relate much more directly to the value of the underlying assets. And of course no one is going to promise that prices may not fall further. But Britannia's management hold that the U.S. economy is fundamentally strong, and that the shares in which this trust is invested offer good prospects of capital appreciation in the long-term. The minimum investment is £250.

Unlike Britannia, the management of Crescent is not asking for capital investment but for *regular savings, to go into the* International Fund by way of the Crescent International Plan. Crescent International's recent performance has been none too brilliant, but that's hardly surprising: international markets have been none too brilliant either. At some point things will change, but it may not be just yet. So anyone going into this one should be going for the prospect of capital growth over the longer term—though, indeed, since it is a life-assurance linked scheme, they should be going for the longer term anyway: any attempt to pull out early is likely to produce a demand from the Revenue for a refund of tax relief. Savers can put in from as little as £5 a month.

Lawson's Raw Materials and General Unit Trust also features among this week's offers. This fund invests, not directly in commodities—authorised unit trusts are debarred from doing that—but in the shares of companies with a strong commodity connection: the likes of plantation, timber and mining companies.

These investments have served Lawson's unitholders very well over the two years since the *trust's inception, for the price of* the units has risen by 52 per cent. over that period, as against a rise of 22 per cent. in the F.T. index. *The question now for would-be* unitholders should, of course, be whether the best is over. The answer is likely to be no: Lawson's Raw Materials and General Fund has done as well as it has by virtue of share selection, and so far there has been very little spin-off from the increase in commodity prices which ought to follow any improvement in world trade. Incidentally, Lawson's units, unlike those of most ge[…] funds, provide a respectable y[…] over 7 per cent. at the offer p[…]

For those who want a high l[…] of income first and fore[…] however, there are other alte[…] tives this week: Schlesinger E[…] Income Trust, whose units ar[…] offer to provide a current g[…] yield of 9.8 per cent., […] Piccadilly's Extra Income […] units in which yield some 3.5 […] cent. Both have a very l[…] equity content—the Schlesi[…] portfolio is entirely compose[…] equities, while that of Picca[…] is as to some 82 per cent, […] that there should be a reason[…] level of income growth to c[…] as well. The minimum is[…] ment accepted for the Schlesi[…] fund is £500, but Piccadilly […] accept under £200.

Applications are also invite[…] M and G for units in its Reco[…] Fund, by way of its life assur[…] subsidiary. The sort of compa[…] in which this fund invests l[…] had an extremely good run […] the past couple of years, […] there must at this stage be a […] question over whether this […] formance relative to the ma[…] can be maintained. The tea[…] M and G Recovery has, howe[…] a remarkably consistent rec[…] and in any case, anyone who […] in for the life assurance link […] which applications are invited […] week should be investing for […] longer term and be prepare[…] wait for the right moment […] realise his investment.

The new life business fig[…] for last year show a strong […] covery in sales of linked […] bonds—such recovery as […] partly from the strength […] stock and property marke[…] partly the decision by […] traditional life companies […] this field. The investment […] tions of these contracts […] coming across in a big way […] they are being actively […] by certain insurance brokers […] financial planners. The tradi[…] life companies which have […] claimed a high degree of in[…] ment expertise, feel that th[…] going to be one of the gr[…] areas for future business, and […] it is one in which they can […] compete.

The latest company to enter […] field is Gresham Life, a sub[…] of the Rothschild merchant ba[…] ing group. Until recently, […] company marketed conventio[…] life contracts only, but last […] it tentatively entered the lin[…] market with a gilt bond. No[…] is offering the full range of b[…] services—its latest product, […] Investment Bond, is a linked […] investment offering investors […] choice of five funds: equ[…] property, gilts, cash and in[…] national—with opportunities […] switching at minimal cost—[…] charges on the bond are stand[…] but as yet there is no track re[…] for investment performance.

### BIDS AND DEALS

**LEADERFLUSH ACQUISITION**

Leaderflush, the Nottingham door manufacturers, is acquiring a 50 per cent. interest in **Sheldon Commercial Properties**, a company formed by Firstgrace, the parent company of Sheldon Contracting Company, of Solihull, Warwickshire, to undertake commercial property development.

*The joint company* will have a paid up capital of £34,000, which will be owned in equal proportions by Leaderflush and First*grace. While its assets will* initially consist of cash subscribed by Firstgrace, negotiations are at an advanced stage for the acquisition of a suitable property.

Leaderflush will issue to Firstgrace 170,000 Ordinary shares (8.5 per cent. of its present issued capital), which will be valued at par, as consideration for 50 per cent. interest in the joint company.

**LONDON PAVILION**

Mr. Victor Sandelson has now *published his formal 350p a share* offer for The London Pavilion. The bid has been rejected by Pavilion's directors, who control nearly 60 per cent. of the theatre company's shares, and by the market. Pavilion's stock closed at 510p yesterday. Nevertheless, stockbrokers Rowe Rudd, on behalf of Mr. Sandelson, is going through the motions, asking shareholders to accept the offer by Monday, March 6.

There are no surprises in the formal offer, although Mr. Sandelson reveals an agreement with Rowe Rudd that acceptances over 62.1 per cent. will be placed by the broker with its investment clients. Mr. Sandelson is shown to have acquired his 2.9 per cent. stake in Pavilion for an average price of 277p. And Rowe Rudd confirm that he would have the resources to pay the £442,000 necessary to carry through a complete bid at this price.

Interest in the Pavilion centres on redevelopment of the company's theatre site in Piccadilly. Pavilion *is currently discussing a shop and* office plus multi-screen cinema project with the Greater London Council, the site freeholder.

*An earlier informal approach* from the electricity supply pension fund, worth £3 a share, was also rejected by the Board.

**THOS. WARD BUYS FORSYTH PRESSES**

Thos. W. Ward of Sheffield announces the purchase of Forsyth Presses of Bolton.

Forsyth is a small unit manu*facturing a range of standard and* special hydraulic presses, of open front and double side design, up to 50 ton capacity. The company will be integrated into the Ward machinery division, which has been distributing the products in the U.K. for many years.

**SCOTCROS**

Full details of the acquisition by Scotcros of an 80 per cent. stake in the French Remy group of companies, first announced last October, have been sent out to *shareholders. The £1.045m. deal* will be put to shareholders for approval at an extraordinary general meeting on March 6, together *with other proposals to increase* the company's borrowing powers.

The document discloses […] Remy—which consists of six c[…] panies manufacturing closures […] containers used in the food […] drinks industries—made pre[…] profits of £374,000 in the […] ending December 31, 1976, […] pared with £181,000 in 1975 […] the first eight months of 1977 […] August 31, the group show[…] profits of £264,000.

A pro forma profit and […] account of the enlarged […] pany, taking into […] notional interest on the […] consideration plus […] shows an increase in the […] ings per share of Scotcros […] per cent. On the same basis […] asset value will increase […] cent. per share.

**KWIK-FIT SELLS J. C. BAKER**

Kwik-Fit (Tyres and Exhausts) Holdings has sold its interest in J. C. Baker Installations and […] distributors of bottled gas […] appliances.

The sale completes the […] pany's programme of devoting […] self fully to its primary activ[…] in retailing and fitting tyres […] exhausts together with special[…] in garage trade equipment […] Holland.

**MECCA/HULL CINEMAS**

The offer made on behalf of Mecca to acquire the Ordinary capital of Hull Cinemas has been declared unconditional in all respects. Acceptances have been received in respect of […] Ordinary shares of 20p each, […] representing 96.6 per cent. of the Ordinary capital. The offer will remain open until further notice.

APPOINTMENTS

# J. B. Hyland will be Youghal Carpets chief executive

Brian L. J. O'Brien, having ...ed retiring age, is to re...ish the position of group executive of YOUGHAL ...ETS (HOLDINGS) from May ... will continue as group chair... Mr. James B. Hyland will ...inted a director and become ... executive on that date. He ... present deputy chief execu... of the Golden Vale ...eries Group.

★

... Ewen A. Macpherson has ... appointed to the Boards of PROVINCIAL INSURANCE ... the PROVINCIAL LIFE ...RANCE. Previously a part... in Buckmaster and Moore ... brokers, Mr. Macpherson is ... resent director and London ...sentative of Notz Stucki and ...romofina S.A. of Geneva, in...dent investment managers.

NORWEST HOLST has appointed the following divisional managing directors within its re-organised civil engineering and contracting business: Mr. Don Hanson, Southern; Mr. Ian Scarborough, Western; Mr. Mike Cossey, northern; Mr. J. McBeath, civil engineering; and Mr. George Eley, specialised services.

★

Mr. William Bainbridge, in his capacity as managing director of Wysepower, has been appointed to the Board of WYSEPLANT, the parent concern, is P. and O.

★

Mr. Frank Richardson has been appointed to the newly-created position of sales director, RONACRETE.

★

Mr. Roger Sands has been appointed account group director of BASTABLE MARKET DEVELOPMENT.

★

Three appointments have been made to the Board of SCHOLL (U.K.). Mr. Charles C. Harrison, production; Mr. Leonard C. Lowth, technical; and Mr. Ray E. Thomas, marketing.

★

Mr. G. W. Cocks has joined BRADSTOCK, BLUNT AND CRAWLEY as a director.

★

Mr. Pascal de Salaberry has joined the Board of IVORY AND SIME with responsibility for the development of the company's business on the Continent.

★

Mr. Gordon Newman has been appointed a director of DCI INTERNATIONAL AIR FREIGHT.

★

The COMMITTEE OF INQUIRY INTO OPERATORS' LICENSING (Department of Transport) has appointed two technical assessors, Mr. L. S. Payne and Mr. C. J. Palmer, who will work with Mr. P. Mackie, economics assessor, and Mr. A. H. Watson, the assessor for statistics. Mr. Payne is a director of J. Sainsbury. Mr. Palmer is the managing director of the Southern Area Transport Group.

★

Mr. Gordon Palmer, chairman of the Associated Biscuit Manufacturers, has become the new LORD LIEUTENANT FOR BERKSHIRE. He succeeds Mr. John Smith, who retired because of ill health last month.

# Wm. Lawrence managing director change

... Peter Bleay has become ...ging director of WILLIAM ...RENCE AND COMPANY. His ...ntment follows the resigna... of Mr. L. Peskin, the former ...man and managing director, ... the recent acquisition of that ...any by Thomas Tilling. Mr. ...n continues as a specialist ...er.

★

... following have been elected to Fellowship of IMPERIAL COLLEGE: Emeritus Professor Sir Ernst Chain, Sir Laurence Kirwan, Sir Nevill Mott, Professor Sven Olving, and Sir Angus Paton. Elected to honorary associateship are Dr. Christopher Grey and Mr. James Porter.

★

Mr. John S. Tenchio has been appointed managing director of RAYDOCKS, a member of the OCS Group. Mr. Clive Thomas has become group promotions executive.

★

Mr. M. J. McCormick has resigned as a director of B. S. AND W. WHITELEY.

★

Mr. T. H. P. Seden has been appointed to the Board of CLARKSON BARDRICK AND COMPANY.

★

Mr. John Wilson has joined LINK ELECTRONICS as sales director. He was previously marketing executive of EMI Sound and Vision Equipment.

★

Mr. P. E. Brooker and Mr. R. S. Fisher have been appointed to the main Board of LAND AND MARINE CONSTRUCTION, a member of the Bos Kalis Westminster Group.



# John Lewis trade boost

THE JOHN LEWIS Partnership stores chain, one of the companies at the centre of the Government pay policy "black-list" row, has reported a sharp boost in turnover for the week ending February 4.

The stores group reported weekly sales of more than £4.4m., an increase of just over 21 per cent. over the corresponding week last year. A company spokesman said yesterday that this was a "splendid and very encouraging" start to the new financial half-year for the group.

John Lewis's food group, the 64-chain of Waitrose superstores chain, one of the com-markets, produced sales of more than £3.6m., nearly 17 per cent. up on the corresponding week last year.

Total sales of well over £8m. were up by 19.1 per cent. and for the 52 weeks to January 28 they were ahead by 18.5 per cent.

Mr. Peter Lewis, chairman of the group, revealed that the company was on the secret Government blacklist of companies which allegedly had breached the pay policy guidelines.

Man of the Week, Back Page

# Financial General deals

WASHINGTON, Feb. 10.

FINANCIAL GENERAL Bank-shares Inc. said it has been informed that purchases of its stock have been made by a foreign bank that may be seeking control of the company.

Financial General declined to identify the bank, but said it "has reason to believe" that possibly in excess of 15 per cent. of its outstanding common has been purchased recently in a series of transactions.

Financial General said it "understands" that some purchases of its common have been made in private transactions above market prices and that private offers have been made for additional shares above the market. The company said it has not been informed whether there will be any further bids for its stock at prices above market. The group currently has 5,613,953 common shares outstanding.

Control of Financial General, a bank holding company, was until recently held by International Bank of Washington primarily through International Bank's 22 per cent. stake in the company.

However, International Bank sold that stock last April and subsequently took certain other steps to comply with a Federal Reserve Board order that it end the "control relationship." The 22 per cent. stake was sold to a group of investors headed by former Navy Secretary J. William Hiddendorf II, currently president and chief executive officer of Financial General.

AP-DJ



# Farmers demand flood barrier in Norfolk

By Our Norwich Correspondent

A FLOOD BARRIER to prevent thousands of acres of farmland from flooding in the event of abnormally high tides is demanded by farmers at Acle near Great Yarmouth, Norfolk.

The Acle branch of the National Farmers' Union is to urge its country executive to press for construction of a flood barrier to protect their land. One farmer, Mr. Charles Wharton, said the situation was extremely serious and they wanted sea defences at Great Yarmouth strengthened immediately to prevent a recurrence of the 1953 floods.

## SHARE STAKES

**British Industries and General Investment Trust**—London and Manchester Assurance Co. and its subsidiary Welfare Insurance have purchased a further 38,602 Deferred shares making a total of 870,000 shares, 21.1 per cent. of that class.

**News Intl.:** News Ltd., an Australian company, has purchased a further 50,000 Ordinary shares and now beneficially holds 9,792,200 shares.

**Jatel:** Jorehaut Holdings has purchased 10,000 Ordinary shares and together with an associate now holds 934,845 Ordinary shares in Jatel (61.63 per cent.).

**Alpine Holdings:** Mr. J. G. Gulliver has purchased 20,000 Ordinary shares.

**Polly Peck (Holdings):** Mr. R. Zelker, a director, has bought 50,000 Ordinary shares.

**London and Holyrood Trust:** Commercial Union Assurance Co. has acquired a further £15,000 5 per cent. Cum. Pref. Stock and is now interested in £70,000 (6.86 per cent.) of the stock.

**Malayalam Plantations (Holdings):** Following further acceptances in respect of 437,940 shares, Harrisons and Crosfield is now interested in 24,229,108 (89.4 per cent.) shares.

**Sungei Bahru Rubber Estates:** Doranakande Rubber Estates has acquired a further 8,000 shares making a total interest of 289,020 shares (11.14 per cent.); International Investment Trust Co. of Jersey has sold 60,000 shares, reducing its interest to 115,000 shares (4.4 per cent.).

## ASSOCIATES DEALS

S. G. Warburg and Company sold on behalf of associates 5,000 Inchcape, Ordinary shares at 357p, 30,000 at 356p and 20,000 at 355p.

Kitcat and Aitken bought 800 Talbex Group Ordinary shares at 22p on behalf of associates.

Blankstone Sington and Company (Northern) purchased 30,000 Ladbroke at 186p on behalf of a director of Leisure General Holdings.

# SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and mergers

Sir Fred Pontin, founder, chairman and managing director of Pontin's will stay with the group should the agreed offer from **Coral Leisure** go through. Shareholders of Pontin's, who are to receive four Coral shares plus 240p cash for every 17 Pontin's shares, are also told in the formal offer document of a capital reorganisation. It is now proposed, subject to the bid proving successful, that Pontin's shareholders receive one new Pontin's share for every one held with the old shares being converted into new 5 per cent. non-cumulative Preference shares. The new proposal will make no difference to the value of the terms, but will bring considerable savings in stamp duty.

The **S. Pearson** takeover of **Madame Tussaud's** is now virtually accomplished. On Wednesday, Lazard Bros., Pearson's advisers announced that 82.1 per cent. of Tussaud's shareholders had accepted the offer. Together with the 7.3 per cent. which Pearson purchased through the market, this raised the latter's holding to 89.4 per cent. and the offer has now gone unconditional.

The prospect of a major City row over the deal whereby **Allegheny Ludlum Industries**, the U.S. garden tool group, was to have gained control of **Wilkinson Match** without making a full take-over bid, appears to have been averted by means of a new deal which, if approved, would result in Allegheny owning *44.4 per cent. of the Wilkinson equity and not over 51 per cent.* as originally intended.

**Hamilborne**, the brick manufacturer, which made an abortive reverse takeover for civil engineer **Reed and Mallik** last year, has received a bid approach itself from an unnamed private company.

**BSG International** has bought **Weathershields** for £941,500. The consideration has been satisfied by the issue of approximately 2.7m. new BSG Ordinary shares of 10p each.

The likelihood that the **National Enterprise Board** will, this autumn, sell off some of its shares in the **Ferranti** electronics concern is very much on the cards following a statement last week by the NEB chairman.

**Tube Investments** has agreed to sell 50 per cent. of its motor cycle hire purchase subsidiary to **Lloyds and Scottish** for up to £2½m. The subsidiary is Raleigh Industries (Gradual Payments), said to be the market leader in its field.

| Company bid for | Value of bid per share** | Market price** | Price before bid | Value of bid (£m's)** | Bidder | Final Acc't'ce date |
|---|---|---|---|---|---|---|
| | Prices in pence unless otherwise indicated. | | | | | |
| Allied Inv. | 53* | 54 | 47 | 7.67 | Utd. Medical Enterprises | 20/2 |
| Bainbridge Eng. | 45† | 43 | 35 | 0.68 | Winn Inds. | 27/2 |
| BCA | 125 | 120 | 53 | 1.48 | A. P. Cement | — |
| Blakey's (Malleable Castings) | 41* | 44 | 35 | 0.79 | Centreway | — |
| Crosland (R. & G.) | 40§§ | 37½ | 36 | 3.2 | Benjamin Priest | 17/2 |
| *Dew (G.)* | *170** | *167* | *158* | *7.05* | *Adriaan Volker* | 16/2 |
| Doland (Geo.) | 25* | 25 | 20 | 1.08 | James (Maurice) | — |
| Ega Hldgs. | 144§§ | 140 | 140 | 8.0 | MK Elect. | — |
| Evans (F. W.) | 59.6† | 59 | 28 | 1.67 | McKechnie Bros. | — |
| Federated Chem. | 73½ | 72 | 65 | 10.65 | Dalgety | 21/2 |
| Graham Wood | 60* | 58½ | 44 | 2.36 | Brit. Steel Cpn. | — |
| Hareros | 82* | 80 | 70 | 15.59 | Harrisons & Crosfield | 20/2 |
| Harrison (James) | 62½ | 60 | 51 | 3.25 | Barratt Devs. | — |
| Hull Cinemas | 132* | 125 | 40 | 0.73 | Mecca | 10/2 |
| Lafarge Org. | 95* | 94†† | 88 | 5.3 | Lafarge SA | — |
| Leisure & General | 70* | 68½ | 48 | 7.2 | Ladbroke | 13/2 |
| Le Vallonet Tst. | 26* | 28½ | 26 | 0.6 | Air Call | — |
| Liner Concrete | 33½ | 32 | 32 | 3.19 | Thos. Tilling | — |
| Lond. Aust. Invs. | 78½*§§ | 111 | 101 | 4.35 | Hooker Corp. | — |
| London Pavilion | 350* | 300 | 360 | 0.44 | Mr. V. Sandrsn. | — |
| London Sumatra | 110* | 114 | 98 | 17.52 | McLeod Russel/ Sipef SA | — |
| Mills (A. J.) | 100* | 100 | 75 | 3.44 | Antony Gibbs | 13/2 |
| Pontins | 42½§§ | 39 | 38†† | 51.5 | Coral Leisure | — |
| Pride & Clarke | 525† | 512 | 267 | 10.50 | Inchcape | 22/2 |
| Sec. Broadmount Trust | 36.3‡‡ | 32 | 28 | 3.59 | Chieftan | — |
| Tyneside Inv. | 98 | 98 | 102 | 6.27 | Carliol Inv. | — |
| Updown Inv. | 58* | 58 | 54 | 2.32 | Cazenove | 10/2 |
| Warren (Jas.) | 61 | 63†† | 63 | 0.91 | Talbex | — |
| Wigfall (H.) | 243§§ | 268 | 163 | 12.65 | Comet Radiovision | 21/2 |
| Young Austen Young | 67* | 85 | 66 | 2.7 | Trafalgar Hse. | — |

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 9/2/78. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

## PRELIMINARY RESULTS

| Company | Year to | Pre-tax profit (£000) | | Earnings* per share (p) | | Dividends* per share (p) | |
|---|---|---|---|---|---|---|---|
| Aaronson Bros. | Sept. 30 | 2,840 | (2,360) | 12.0 | (10.4) | 1.972 | (1.765) |
| Alexanders | Sept. 30 | 302 | (64) | 0.8 | (Nil) | Nil | (Nil) |
| Clifton Invs. | Mar. 31 | 42L | (19)L | Nil | (Nil) | Nil | (Nil) |
| Evode Hldgs. | Oct. 1 | 1,483 | (1,450) | 12.1 | (8.6) | 2.284 | (1.988) |
| Hirst & Mallinson | Oct. 29 | 330 | (175) | 8.4 | (4.7) | 1.8 | (1.63) |
| Imperial Group | Oct. 31 | 129,120 | (130,350) | 14.3 | (12.3) | 5.66 | (5.068) |
| A. Millar | Sept. 30 | 98 | (97) | 11.3 | (9.9) | 3.737 | (3.575) |
| Ruo Estates | June 30 | 1,328 | (470) | 42.5 | (14.1) | 13.0 | (7.543) |
| SAI | Dec. 31 | 4,877 | (3,127) | 28.8 | (17.7) | 12.0 | (11.0) |
| Tace | Sept. 30 | 577 | (407) | 4.9 | (3.3) | 1.25 | (Nil) |
| Tst. Houses Forte | Oct. 31 | 38,000 | (23,700) | 24.4 | (11.8) | 8.209 | (7.35) |
| W. Seln. & Dev. | Sept. 30 | 319 | (523) | 2.4 | (5.3) | 2.1 | (1.98) |

## INTERIM STATEMENTS

| Company | Half-year to | Pre-tax profit (£000) | | Interim dividends* per share (p) | |
|---|---|---|---|---|---|
| Benn Bros. | Dec. 31 | 417 | (355) | 0.8 | (0.7) |
| Celtic Haven | Sept. 30 | 9 | (45) | — | (—) |
| Chrystie-Tyler | Oct. 31 | 111 | (825) | 1.6 | (1.6) |
| Crosby House | June 30 | 154L | (14)L | — | (4.0) |
| Decca | Sept. 30 | 5,224 | (5,499) | 3.3 | (3.0) |
| Dowty | Sept. 30 | 11,052 | (8,575) | 2.21 | (1.98) |
| English Assoc. | Dec. 31 | 115 | (40) | 4.875 | (4.875) |
| Mining Supplies | Oct. 29 | 373 | (507) | — | (—) |
| M.L. Hldgs. | Sept. 30 | 277 | (162) | 1.5 | (1.015) |
| Morgan Edwards | Oct. 15 | 116L | (74) | Nil | (1.18) |
| J. Saville-Gordon | Oct. 31 | 202 | (452) | 0.4 | (0.4) |
| Smith (Whitw'th) | Sept. 30 | 17L | (43) | — | (—) |
| UDT | Dec. 31 | 9,100 | (5,800) | — | (—) |
| Unitech | Dec. 3 | 1,125 | (767) | 1.452 | (1.3) |
| Vibroplant | Sept. 30 | 1,227 | (865) | 3.96 | (3.575) |
| Watshams | Sept. 30 | 248 | (208) | 1.65 | (1.5) |
| Wiggins Constrct. | Sept. 30 | 141 | (106) | 0.77 | (0.738) |
| Wood (S. W.) | Sept. 30 | 204L | (131) | 1.508 | (1.508) |

(Figures in parentheses are for corresponding period.) Dividends shown net except where otherwise stated. * Adjusted for any intervening scrip issue. L Loss.

## Rights Issue

**AGB Research:** One-for-four at 65p each.

## Scrip Issues

**Evode Holdings:** One-for-one.

# WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

## Off 1.8 on inflation worries

BY OUR WALL STREET CORRESPONDENT

NEW WORK, Feb. 10.

SLIGHTLY LOWER levels were in the majority on Wall Street to-day, reflecting worries about inflation and renewed weakness of the dollar in overseas Exchange Markets.

The Dow Jones Industrial Average lost 1.82 to 775.99, reducing its gain on the week to 5.03, while the NYSE All Common Index, at $50.01, shed 10 cents on the day but was still up 29 cents on the week. Declines led advances by 724 to 649, while the trading volume expanded 1.54m. shares to 19.48m.

An afternoon recovery attempt faded in the final hour.

After the market close, the Fed reported a drop of $1.7bn. in Basic Money Supply M1 and a $1.2bn. decline in the broader M2 measure.

Weighing on the Stock Market was a Government report prior to the opening that the Wholesale Price Index for January rose by 0.9 per cent.—the biggest monthly rise since last April, following a 0.4 per cent. increase in December.

Great Northern Iron Ore plunged $8 to $26½ on an unfavourable ruling by the Minnesota Supreme Court.

Sherwin-Williams dropped $5¾ to $21½—it downgraded its 1977 earnings prediction and now expects a net loss.

ITEK came back $2⅜ to $24¼.

Massey-Ferguson fell $1¼ to $12¼ on speculation about the dividend.

THE AMERICAN SE Market Value Index rose 0.31 to 124.64, making a rise of 1.86 on the week.

### FRIDAY'S ACTIVE STOCKS

| | Stocks traded | Closing price | Change on day |
|---|---|---|---|
| ITT Corp | 319,900 | 24¾ | −2½ |
| Citicorp | 300,200 | 20¼ | −¼ |
| Boeing | 275,200 | 30 | −⅛ |
| Massey Ferguson | 265,800 | 12¼ | −1¼ |
| CNA Financial | 254,500 | 8⅞ | +1 |
| Tesoro Petroleum | 195,700 | 9¾ | +1¼ |
| General Portland | 181,400 | 12¾ | +1¼ |
| Marshall Field | 179,600 | 31⅞ | +1½ |
| Webb (Del. E.) | 174,200 | 14⅞ | — |
| Sears Roebuck | 156,300 | 25¼ | −⅛ |

## OTHER MARKETS

### Canada rallies

Canadian Stock Markets rallied in moderate trading yesterday, with the Toronto Composite Index rising 2.3 to 1014.8.

The Gold Share Index spurted ahead 33.9 to 1353.4, while Metals and Minerals rose 3.6 to 823.9, Utilities 0.63 to 160.96, Banks 1.71 to 237.27 and Papers 0.17 to 95.84. But Oil and Gas shed 2.5 to 1353.0.

PARIS—Mainly lower because of the franc's weakness.

Chemicals and Banks were mixed.

U.S. stocks followed Wall Street lower. Germans, Foreign Oils and Golds were steady.

BRUSSELS—Mixed, with the majority higher in quiet trading.

In Foreign Stocks, U.K., Dutch and Canadian were little changed. Germans rose, while U.S. and French issues fell.

AMSTERDAM—Narrowly mixed in quiet trading, with Dutch Internationals mainly unchanged.

KNSM moved up Fl.7.50 and Fokker gained Fl.4.50.

GERMANY—Prices gained broadly in active trading, with leaders up as much as DM3.

Bonds gained up to 30 pfennigs in lively trading. The DM1.3bn. two-tier Government Bond announced Thursday, with a 99.75 per cent. price for both portions, was received favourably in inter-bank dealings prior to its official issue in mid-February. The 5.5 per cent. 8 year part was quoted between 100 and 100.25 per cent. and the 6 per cent. 15 year, between 100 and 100.15 per cent.

SWITZERLAND — Firmer on stronger demand following the continued decline in interest rates.

SPAIN—Further small selling which took the index down 0.32 to 94.50, a new low for the year.

OSLO—Bankings were slightly firmer, while Insurances, Shippings and Industrials were quiet.

COPENHAGEN — Banks, Shippings and Communications were little changed.

MILAN—Prices closed around the day's highest levels in active trading.

Snia Viscosa, up Lire 74 to 650, and Pirelli, up Lire 656 to 2,215, led Industrials higher.

VIENNA—Generally steady with mostly slight variations either way.

HONG KONG—Easier in quiet and featureless trading on lack of any interest after the Chinese New Year Holiday.

TOKYO — Slightly lower in reduced trading in the absence of encouraging factors and ahead of to-day's national holiday. Volume 270m. (340m.) shares.

JOHANNESBURG—Golds were harder, while Mining Financials were easier.

AUSTRALIA—Mixed with leading Mines unsteady.

Bank of NSW added 4 cents at $A5.26 in otherwise mixed Banks.

## Indices

### NEW YORK—DOW JONES

| | Feb. 10 | Feb. 9 | Feb. 8 | Feb. 7 | Feb. 6 | Feb. 3 | 1977-78 High | 1977-78 Low | Since compilation High | Since compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|
| Industrial | 775.99 | 777.81 | 772.66 | 778.85 | 768.62 | 770.96 | 999.75 (5/1/77) | 755.64 (26/1/78) | 1051.70 (11/1/73) | 41.22 (2/7/32) |
| H'me B'nds | 89.79 | 89.66 | 89.54 | 89.70 | 89.79 | 89.74 | 94.67 (7/8) | 84.55 (26/1/78) | — | — |
| Transport | 212.65 | 213.38 | 214.55 | 213.48 | 212.16 | 212.98 | 246.64 (1/8) | 199.60 (22/10) | 279.88 (7/2/69) | 13.23 (8/7/32) |
| Utilities | 105.65 | 105.62 | 106.12 | 105.51 | 105.21 | 105.51 | 118.67 (22/2) | 104.77 (31/1/78) | 163.32 (20/4/69) | 10.58 (28/4/42) |
| Trading vol 000's | 19,460 | 17,940 | 21,500 | 14,750 | 11,650 | 12,400 | — | — | — | — |

* Basis of index changed from August 24

| | Feb. 3 | Jan. 27 | Jan. 20 | Year ago (approx.) |
|---|---|---|---|---|
| Ind. div. yield % | 5.98 | 6.02 | 5.92 | 4.35 |

### STANDARD AND POORS

| | Feb. 10 | Feb. 9 | Feb. 8 | Feb. 7 | Feb. 6 | Feb. 3 | 1977-78 High | 1977-78 Low | Since Compilat'n High | Since Compilat'n Low |
|---|---|---|---|---|---|---|---|---|---|---|
| Industrials | 99.12 | 99.40 | 100.01 | 99.49 | 98.51 | 96.66 | 118.92 (3/1/77) | 97.47 (6/1/78) | 134.64 (11/1/73) | 3.52 (30/6/32) |
| Composite | 90.08 | 90.30 | 90.83 | 90.33 | 89.50 | 89.62 | 107.00 (3/1/77) | 88.58 (26/1/78) | 125.85 (11/1/73) | 4.40 (1/6/32) |

| | Feb. 8 | Feb. 1 | Jan. 25 | Year ago (approx.) |
|---|---|---|---|---|
| Ind. div. yield % | 5.17 | 5.22 | 5.32 | 3.99 |
| Ind. P/E Ratio | 8.77 | 8.69 | 8.62 | 10.85 |
| Long Govt. Bond yield | 8.20 | 8.18 | 8.20 | 7.64 |

### N.Y.S.E. ALL COMMON

| Feb. 10 | Feb. 9 | Feb. 8 | Feb. 7 | 1977/78 High | 1977/78 Low |
|---|---|---|---|---|---|
| 50.01 | 50.11 | 50.35 | 50.08 | 57.07 (4/1/77) | 49.86 (27/1/78) |

### Rises and Falls

| | Feb. 10 | Feb. 9 | Feb. 8 |
|---|---|---|---|
| Issues traded | 1,823 | 1,808 | 1,848 |
| Rises | 649 | 558 | 920 |
| Falls | 724 | 789 | 490 |
| Unchanged | 450 | 461 | 438 |
| New Highs | — | 31 | 32 |
| New Lows | — | 25 | 25 |

### MONTREAL

| | Feb. 10 | Feb. 9 | Feb. 8 | Feb. 7 | 1977-78 High | 1977-78 Low |
|---|---|---|---|---|---|---|
| Industrial | 166.55 | 166.60 | 166.86 | 166.38 | 186.47 (17/5) | 158.02 (25/10) |
| Combined | 175.94 | 175.78 | 175.96 | 173.37 | 187.56 (19/1/77) | 165.60 (25/10) |

| | | Feb. 10 | Feb. 9 | Feb. 8 | Feb. 7 | 1977-78 High | 1977-78 Low |
|---|---|---|---|---|---|---|---|
| TORONTO | Composite | 1014.8 | 1012.5 | 1014.4 | 1010.2 | 1057.4 (19/1) | 961.0 (26/10) |
| JOHANNESBURG | Gold | 208.7 | 208.8 | 209.1 | 215.7 | 218.7 (1/2/78) | 189.4 (24/5) |
| | Industrials | 210.6 | 211.2 | 211.6 | 211.9 | 214.4 (4/1/78) | 168.1 (22/4) |

| | Feb. 10 | Previous | 1977-78 High | 1977-78 Low |
|---|---|---|---|---|
| Australia (5) | 465.91 | 469.69 | 479.45 (12/1/78) | 415.50 (10/5) |
| Belgium (1) | 94.65 | 94.59 | 99.12 (10/1/77) | 90.45 (12/1/78) |
| Denmark (**) | 94.96 | 94.85 | 107.32 (9/8) | 94.00 (6/2/78) |
| France (11) | 49.6 | 49.5 | 56.4 (7/1/77) | 45.0 (10/6) |
| Germany (22) | 812.7 | 809.5 | 815.5 (17/11) | 712.0 (10/6) |
| Holland (9) | 82.1 | 81.9 | 89.2 (4/5) | 75.0 (29/9) |
| Hong Kong (99) | 410.25 | (c) | 425.17 (11/6) | 383.44 (10/1/78) |
| Italy (10) | 61.41 | 60.87 | 75.71 (5/1/77) | 54.90 (22/12) |
| Japan (a) | 354.84 | 365.35 | 390.93 (29/9) | 350.49 (24/11) |
| Singapore (b) | 268.71 | (c) | 268.71 (10/2/78) | 242.28 (3/5) |

| | | Feb. 10 | Previous | 1977-78 High | 1977-78 Low |
|---|---|---|---|---|---|
| Spain | (d) | 94.50 | 94.83 | 100.00 (30/12) | 94.50 (10/2) |
| Sweden | (e) | 356.34 | 352.47 | 416.05 (22/3) | 350.80 (24/11) |
| Switzerl'd | (f) | 320.9 | 318.9 | 320.9 (10/2/78) | 280.7 |

Indices and base dates (all base values 100 except NYSE All Common — 50 Standards and Poors — 10 and Toronto 300-1,000, the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (¶) Sydney All Ord. (‖) Belgian SE 31/12/63. (**) Copenhagen SE 1/1/73. (††) Paris Bourse 1961. (‡‡) Commerzbank Dec., 1953. (§§) Amsterdam, Industrial 1970. (¶¶) Hang Seng Bank 31/7/64. (‖‖) Milan 2/1/73. (a) Tokyo New SE 4/1/68. (b) Straits Times 1966. (c) Close. (d) Madrid SE 30/12/77—high and low for 1978 only. (e) Stockholm Industrial 1/1/58. (f) Swiss Bank Corp. (u) Unavailable.

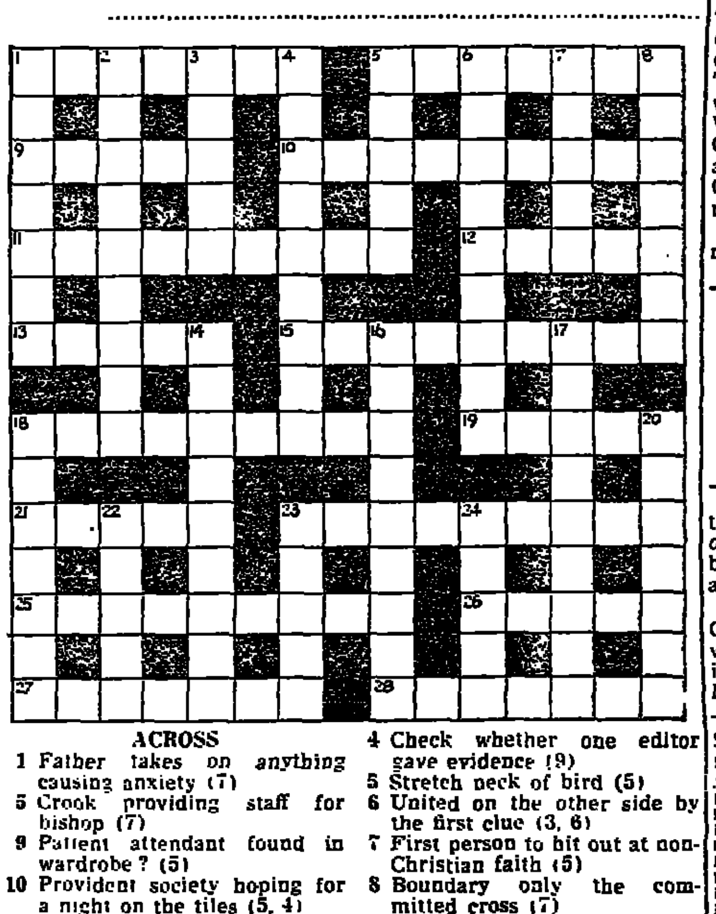
## F.T. CROSSWORD PUZZLE No. 3,591

*A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.*

*Name* ..............................

*Address* ..............................

..............................



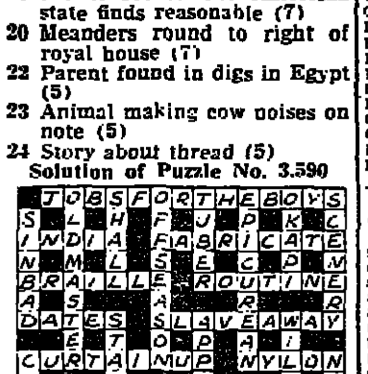
**ACROSS**

1 Father takes on anything causing anxiety (7)
5 Crook providing staff for bishop (7)
9 Patient attendant found in wardrobe? (5)
10 Provident society hoping for a night on the tiles (5, 4)
11 Keep a supply of material stiffener of normal dimensions (5, 4)
12 Funny man to take care of motorway key (5)
13 Former fate returns to praise (5)
15 No place to find Mother Superior? (4, 2, 3)
18 Church helper made to put down language book (3, 6)
19 Strength is coming back to novel (5)
21 Urchin given strong drink about morning (5)
23 Resolute chap capable of doing a smooth job (3, 2, 4)
25 Happen to arrive at a fight (4, 5)
26 Sad song for athletes (5)
27 Dead yet found inside baby clothes (7)
28 Person at cross-purposes on polling day (7)

**DOWN**

1 Punishes south-eastern artfulness (7)
2 Atmosphere VIP creates when fit to fly (9)
3 Incomprehensible language (5)
4 Check whether one editor gave evidence (9)
5 Stretch neck of bird (5)
6 United on the other side by the first clue (3, 6)
7 First person to hit out at non-Christian faith (5)
8 Boundary only the committed cross (7)
14 Don't get up—just hang on for ambush (3, 2, 4)
16 Glasses getting a sight better when long-handled (9)
17 Diamonds maybe in junior's outfit (5, 4)
18 Travel record one American state finds reasonable (7)
20 Meanders round to right of royal house (7)
22 Parent found in digs in Egypt (5)
23 Animal making cow noises on note (5)
24 Story about thread (5)

**Solution of Puzzle No. 3,590**



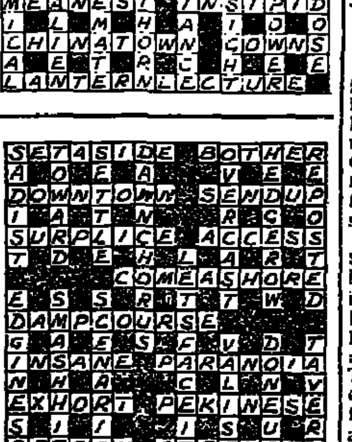
### SOLUTION AND WINNERS OF PUZZLE No. 3,585

Following are the winners of last Saturday's prize puzzle:

Mr. D. Brogden, 34 Kingsthorpe Grove, Northampton, NN2 6NT.

Dr. R. J. Frost, 30 Beacon Road, Wylde Green, Sutton Coldfield, West Midlands.

Mrs. M. K. Turner, 22 Hasley Road, Burley-in-Warfedale, Ilkley, West Yorks, LS29 7PW.



## RACING — BY DOMINIC WIGAN

### Lady Annapurna to win at Catterick

THE ICY conditions gripping the country have, as expected, wiped out to-day's Schweppes Gold Trophy meeting at Newbury as well as an interesting card at Wolverhampton, where a Panama Cigar qualifier, the Mitchells and Butlers 'chase and the H. Geary Hurdle, were all due to be run.

However, the possibility of racing at Catterick has not, at time of writing, been ruled out, and a course inspection will be held on the Yorkshire track at 7.30 this morning.

Here the feature race is the Catterick Grand National trial which sees some high-class staying chasers including Set Point, Rag Trade, Current Gold, Irish Tony and Rambling Artist in opposition.

Although Rambling Artist did well to make a close race of it with Tregarron at Haydock earlier this week, I rather doubt him coping with the course specialist Current Gold, here at a difference of only 9 lbs.

Half an hour later, another popular previous Catterick winner, Lady Annapurna, is taken to make a winning reappearance in the Northern Hunters' 'Chase.

Looking further ahead, the final race in the third Knight Frank and Rutley series of opportunity hurdle races for young riders is to be held at Hereford in March.

This series, which offers encouragement to young riders, has produced qualifying races at Ludlow, Catterick, Taunton, Worcester and Market Rasen.

The final at Hereford will carry a £2,500 prize for the winning owner and a silver salver. The successful jockey is set to receive a gift voucher for £150, and there are also prizes for the second and third jockey home.

**CATTERICK**

1.45—Lord Melbourne
2.15—Siobara*
2.45—Current Gold**
3.15—Lady Annapurna***
3.45—Lord Greystoke
4.15—Kelloe Brig

## OVERSEAS SHARE INFORMATION

Inv. $ Prem. at $2.60 to £—78½% (78½%)
Effective rate (at 1.9355) 32¼% (32¼%)

NEW YORK · CANADA · GERMANY ◆ · PARIS · AUSTRALIA · TOKYO ¶ · VIENNA · AMSTERDAM · JOHANNESBURG · STOCKHOLM · BRUSSELS/LUXEMBOURG · COPENHAGEN ♣ · SWITZERLAND · MILAN · OSLO · SPAIN ♥ · BRAZIL

**SPAIN ♥**

| Feb. 10 | Per cent. | |
|---|---|---|
| Asland | 105 | — |
| Banco Bilbao | 259 | −2 |
| Banco Atlantico (1,000) | 209 | −2 |
| Banco Central | 330 | — |
| Banco Exterior | 274 | — |
| Banco General | 266 | — |
| Hidrola | 78.25 | −1.25 |
| Iberduero | 86.75 | −1.25 |
| Inmobanif | 122 | — |
| Olarra | 73.5 | −1.5 |
| Papeleras Reunidas | 58 | −3 |
| Petroliber | 136 | — |
| Petroleos | 120.5 | −1.25 |
| Sarrio Papalera | 65 | −1 |
| Sniace | 40 | — |
| Sogefisa | 125 | — |
| Telefonica | 86 | — |

**BRAZIL**

Vol. Cr.139.5m. Shares 64.5m.
Source: Rio de Janeiro SE.

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax.

◆ DM50 denom. unless otherwise stated. ♥ Ptas 500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. ⊕ Frs.500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs, including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

## HOME CONTRACTS

MATTHEW HALL NORCAIN has been awarded a contract by the Boots Company to provide project management services for engineering design associated with the refurbishing of Crookes Laboratories' Group Facilities at Basingstoke.

★

STATIC SYSTEMS group, Wolverhampton, has manufactured and installed a new fire alarm system for the control tower complex at Heathrow Airport, London, under a contract worth about £76,000. The system comprises an open-circuit, fault-monitored 40-way fire alarm with both manual and automatic detection, linked to a public address system.

UDI GROUP has been awarded a one-year contract by Shell U.K. Exploration and Production for all rig moves and position check-outs throughout the NW European Continental Shelf area. The contract has gone to UDI for the fourth year running.

★

SIMONBUILD, Stockport, has received a £360,000 contract for the civil engineering construction of a brine pit and associated works, part of the £15m. modernisation of BP Chemicals' chlorine production facilities at Sandbach, Cheshire.

# INTERNATIONAL FINANCIAL AND COMPANY NEWS

## Utah Development sets record Australian profit

BY LAURENCE STEPHENS SYDNEY, Feb. 10.

[illegible] S.-controlled coal miner, [illegible] Development Company, [illegible] more than any other [illegible]ian company has earned [illegible] year during 1977. [illegible]s $A158.3m. (U.S.$179m.) [illegible]rpasses the record set by [illegible] miner Bougainville in [illegible]hen Papua New Guinea, [illegible]pany's domicile, was an [illegible]ian territory. In that [illegible] Bougainville earned [illegible]

[illegible] Utah result, which demon[illegible] that coal is now at the [illegible]t of Australia's national [illegible]s, compares with last [illegible] earnings of $A136.5m. [illegible]s achieved despite cut[illegible] coal shipments to Japan, [illegible]educed tonnages to about [illegible] cent. of Japanese con[illegible]. The company's vice-[illegible]t and general manager Mr. Tim Winterer, said to-day that the Japanese mills were pessimistic about the current year, and no increase is expected over the quantity of coal they took in 1977.

Utah also overcame disruptions caused by a strike of Seamen's Union workers in Queensland but Mr. Winterer preferred not to comment on the effects of the dispute because of a Federal court hearing to take place next week.

The boom result allowed Utah Development to return a dividend of $A126m. to its parent in the U.S., Utah International Inc. The profit was boosted by exchange gains on overseas borrowings, caused by spasmodic upward revaluations of the Australian dollar. In the previous year, Australia's devaluation had caused a large exchange loss.

The currency gains offset the effects of lower shipments from the wholly-owned Blackwater Coal Mine in Queensland.

Utah contributed a total of $A207m. to the Government's coffers, $A128m. in tax and $A79m. in royalties, against $A111.7m. and $A101.23m., respectively in the previous year.

Utah is at present negotiating contracts for the $A250m. Norwich Park coal development in which it has a 76.25 per cent. interest. The venture, expected to begin production late in 1979, will have an initial output of 3m. tonnes, but this should increase later to 4.3m. tonnes a year.

European steel mills have contracts for 1m. tonnes and a 500,000 tonne contract is now being negotiated. The company has indicated that there is interest in Norwich Park Coal from Brazil, Taiwan and Korea.

## Mt. Lyell loss cut

BY OUR OWN CORRESPONDENT SYDNEY, Feb. 10.

[illegible]ERNMENT subsidy of [illegible] allowed the beleaguered [illegible]an copper mine, Mt. [illegible]ining and Railway to cut [illegible] rate 65 per cent. to [illegible] (US$1.18m.) in the six [illegible] to January 11.

[illegible]ut the subsidy, Mt. [illegible] deficit would have been [illegible] static at $A2.82m. com[illegible] with the $A2.98m. loss [illegible] up by this time last year. [illegible]pany was also helped by [illegible]ting back into profit of [illegible]ed income tax provision [illegible],000, which directors say [illegible] longer be necessary.

[illegible] Lyell, a member of [illegible]nsolidated Gold Fields [illegible] a stable, has been [illegible]g heavy losses in recent years, and its $A11m. deficit in the past 12-month period forced it to call on the government for aid. The Federal and Tasmanian governments agreed to meet the shortfall in the cash flow from mining operations pending a decision to the final report from the Industries Assistance Commission on the copper industry. This report is expected before June.

The subsidy, which is repayable without interest if Mt. Lyell achieves a positive cash flow in the future, was taken into revenue for the period, which nevertheless fell 10.4 per cent. to $A13.5m.

As the company reported earlier this year, copper output for the six-month period fell 7 per cent. to 9,552 tonnes, while silver production showed a more prominent decline of 19 per cent. to 1.35m. grams. Gold showed the only improvement, with output increasing 6.4 per cent. to 209,199 grams.

Although the head grade of copper ore mined during the half-year rose from 10.34 per cent. to 1.248 per cent., depressed copper prices still plagued the group.





## Esselte still on target

By William Dullforce

STOCKHOLM, Feb. 10.

THE NINE-MONTH report from Esselte shows that the Swedish office equipment, packaging and printing group is still well on target for the 11 per cent. growth in both sales and earnings forecast for the 1977-78 financial year ending March 31. Its foreign subsidiaries, however, are developing more strongly than the Swedish units.

A strong third quarter produced a 13 per cent. increase over the previous year in the nine-month sales, which totalled Kr.1.8bn. ($382m.), and a growth of over 22 per cent. in pre-tax earnings to Kr.129m. ($27.7m.). The half-way figures showed a 10 per cent. rise in turnover and earnings growth of close to 18 per cent.

The Kr.129m. pre-tax figure does not include currency losses from the devaluation of the krona. These are estimated to total Kr.19m. over the financial year as a whole. Coupled with other extraordinary items, they are expected to pull down the 1977-78 pre-tax profit to Kr.153m. against Kr.134m. in the previous year.

The management points out, however, that the devaluation effect will, in fact, be favourable to Esselte, as the unrealised gains on the group's foreign assets will more than compensate for the currency losses shown.

## Crédit Suisse divestments

BY JOHN WICKS ZURICH, Feb. 10.

CREDIT SUISSE intends to dispose eventually of Italian companies acquired last April when the assets of the Liechtenstein concern, Texon Finanzanstalt, were pledged to the bank. Clients' funds totalling Sw.Frs.2.17bn ($1.1bn.) had been improperly channelled from the Chiasso branch of Crédit Suisse to Texon, which the bank says in the latest edition of its monthly bulletin, published today, was "established in violation of existing directives and to the detriment of Crédit Suisse."

A task force currently comprising almost 30 full-time specialists set up when the Texon group was taken over is now reported to have obtained what Crédit Suisse calls a reasonable overview of the participations and brought them all under control. It is planned to increase the value of the companies in question before divestment. "Neither now nor at any previous stage of the Chiasso affair has it been the intention of Crédit Suisse to burden its banking apparatus unduly with these extraneous participations," says the bank.

However, it stresses that care will be taken that disposal does not take place at an inopportune time. Solutions are aimed at which will be not only for the good of Crédit Suisse but also to the advantage of the undertakings concerned, their employees, customers and suppliers. A start was already made last month in divestment transactions when the plastics division of the Ampaglas group was sold to the Milanese company Caleppio SpA and the Ampaglas toys division was re-organised in conjunction with Italian partners.

Apart from the Texon companies—which also include undertakings in the Winefood, Albarella, FICI, Olbiacard and Gottardo Ruffoni groups—Crédit Suisse has a 95 per cent. stake in the Molini Certosa milling firm. The bank to-day announced that it would cancel claims equal to about Sw.Frs 4m. on Molini Certosa.

This waiving of claims has been decided on instead of a capital restructuring of Molini Certosa which Credit Suisse last month said it intended to carry out.

## Deficit mounts at Anic

BY PAUL BETTS ROME, Feb. 10.

ANIC, Italy's second largest chemical concern controlled by the State ENI hydrocarbon group, is expected to report losses of more than L150bn. ($173m.) for the year ending *December, 1977.*

The chemical group's losses at the end of the first nine months of last year totalled L144bn., while its accumulated debits for the same period amounted to L763.4bn. compared to L787bn. at the end of December, 1976.

ENI now proposes to inject fresh capital into Anic, following a write-down of Anic's *current capital of L198.5bn., to* guarantee the restructuring of the company's activities into the production of fine or secondary chemicals.

## Province guarantee for Beton

DUSSELDORF, Feb. 10.

THE WEST German province of North Rhine Westphalia will guarantee 70 per cent. of a DM100m. credit to help the financially troubled Dusseldorf-based building firm Beton und Monierbau AG, the province's Economic and Financial Committee said.

The credit will be provided by a consortium of 30 banks and insurance institutions headed by Westdeutsche Landesbank Girozentrale. Terms were not disclosed.

Details of the company's difficulties were not given but informed sources said the provincial authorities were concerned to protect the 2,500 jobs the firm provides in the province.

Beton und Monierbau, capitalised at DM25m. and 44 per cent. owned by the Dutch concern Ogem-Holding NV of Rotterdam, employs over 20,000 workers in Germany and abroad and has an order book worth around DM2.1bn., including DM1.6bn. abroad, the sources said.

The province will hold, as security against its guarantee, building land owned by Beton und Monierbau, thereby reducing its risk to between DM10m. and DM15m., they added.

Reuter

## Japanese banks move in two Fujisash rescues

BY CHARLES SMITH TOKYO, Feb. 10.

ANOTHER RESCUE operation, this time for two closely related companies in the aluminium sash industry, was announced here to-day by Japanese banks. The companies concerned are Fujisash Industries and Fujisash Sales Company, both of which are listed on the Tokyo Stock Exchange.

The rescue will involve interest rate cuts on some Y120bn. (about $500m.) worth of debts owed mainly to Daiwa Bank and Saitama Bank. In addition, there is to be a "sweeping" management reshuffle in which the president of Fujisash Industries will step down, to be replaced by a Saitama Bank official.

Fujisash Industries once held top position in the big Japanese aluminium sash market (because most commercial and residential buildings in Japan are nowadays fitted with aluminium sashes).

It has slipped down market over the years, however, partly because of aggressive competition from YKK (the Japanese zip fastener giant which also diversified into sashes). The company made an unsuccessful attempt to lay off workers by the voluntary resignation method last August and began failing to meet some of its debts early last month. If Fujisash Industries and its related sales company were allowed to fail, the result would be the largest bankruptcy in Japanese history, marginally exceeding that of Kohjin Company in 1975.

Combined debts of the two companies to Japanese Banks are estimated at around Y200bn. ($830m.) of which about Y150bn. is owed to the Saitama and Daiwa banks. Combined workforce is about 4,000 which now seems almost certain to have to be drastically reduced in order to recover profitability. Transactions in shares of both Fujisash companies were suspended to-day on the Tokyo Stock Exchange.

The news of Fujisash's troubles coincides with that of the Y30bn. failure (this year's largest to date) of Asahi Koeki Company, a trading company specialising in marine equipment which is affiliated to Japan's largest shipping company, Nippon Yusen Kaisha. (NYK's shareholding is 16 per cent.). Asahi Koeki seems to have been dragged down by its trading relationships with a number of recently liquidated or bankrupt companies including Hashihama and Shinyamamoto (Shipbuilding) and Ryutsu Kaiun (Shipping). Asahi Koeki has applied for liquidation.

### Daiwa Line

DAIWA LINE said it has filed an application with the Osaka District Court for protection to reconstruct itself under Japan's Composition Act, following a business failure, but declined further details.

The Tokyo Commerce and Industry Research Company, a private credit research organisation, told Reuters that the medium-size shipping firm had debts totalling Y50bn.

## Price rise key to Brockway

NEW YORK, Feb. 10.

GLASS CONTAINER manufacturers, at a time when the plastic bottle is posing an increasing challenge, are having difficulty in holding price increases, which for Brockway Glass Co. Inc., which generates most of its sales from glass containers, is regarded as particularly troublesome.

The glass bottling industry on December 15 put through a price increase of between 8 and 10 per cent. for all containers.

Mr. Gerald Stecker, financial vice president of Brockway, said that it has been possible to hold on to about 6 to 7 per cent. of this.

### Prediction

Mr. Roland E. Moreno, an analyst with Smith Barney Harris Upham and Co. Inc., predicts that Brockway will earn $5.10 a share in 1978, up from $4.07 last year. But, Mr. Moreno said, one of the key factors in attaining that figure will be success in getting another price increase this spring.

Victoria Berlin of Blyth Eastman Dillon and Co. Inc. said the industry's profit margins generally have been coming down because costs have been rising faster than price increases.

"Obviously, if the industry hopes to improve margins, it will have to raise prices," Berlin said. Brockway's pre-tax 1976 margins in glass containers fell to 9.7 per cent. from more than 12 per cent. in 1972, the analyst said, and they were probably lower last year because of a decline in overall corporate pre-tax margins.

Mr. Stecker said the industry in recent years has raised prices in April to coincide with increases in wage contracts and, based on the cost picture, there should be another price increase this time.

However, some analysts warn that the industry may be reluctant, or may at least find difficulty, in raising prices, because of stiffer competition in the soft drink industry from the plastic bottle.

"Plastic is becoming a popular and viable alternative to glass in many cases," said Berlin. The plastic bottle used by the soft drink industry is the 64 oz. size, but analysts say the day is near when this will spread to other size containers, including the 32 oz. container.

"The economies over the next ten years seem to indicate that plastic is a threat in the soft drink market to glass in both the 32 and 64 oz. sizes," said Mr. Moreno.

Much of what happens will probably depend on decisions by the soft drink industry and the type of technology that takes place in the container industry. The plastic bottle in soft drinks is not being marketed in all parts of the country. "At best it is a year or two away before plastic bottles are a major threat," he added.

### Competition

Mr. Moreno differs: "There is a distinct possibility that plastic bottles in 32 and 64 oz. will increase their market share in soft drinks over the next few years," he said.

Brockway's Mr. Stecker agrees with analysts that competition is increasing, and there is some indication it may apply to the 32 oz. size.

"We are following developments closely," he said. "There is no question the plastic bottle will be around for a while."

Reuter

## COMMODITIES/Review of the week

## Talks on output cuts lift copper

BY JOHN EDWARDS, COMMODITIES EDITOR

[illegible] PRICES jumped on the [illegible] Metal Exchange yester[illegible] [illegible]er news that three lead[illegible] [illegible]per exporting countries [illegible]a, Zaire and Peru—were [illegible] in London to discuss a [illegible] 15 per cent. cut in [illegible]on.

[illegible] wirebars gained £12 to [illegible] tonne, £17 higher than [illegible] ago.

[illegible]s later confirmed that [illegible] meeting would be held [illegible]ek.

[illegible] reported from Lima, [illegible] that sources at Minero [illegible] aimed that Peru was [illegible] to a 15 per cent. cut.

[illegible] the world's biggest [illegible]xporter, was notable by [illegible]nce at the London talks, [illegible]e-claimed to be a follow [illegible]he Jakarta meeting of [illegible]he Council of Copper [illegible]g Countries) late last [illegible]en the Chileans refused [illegible] to a proposed general [illegible]pper production.

[illegible]atest talks represent a [illegible]rt, inspired by Zambia, [illegible] supplies more into line [illegible]nand. The recent down[illegible] copper values has taken [illegible] their lowest levels for [illegible]rs and well below the [illegible]production.

[illegible]er, with Chile apparently [illegible]posed to the idea, re[illegible] now backed by Peru, [illegible]ces of any positive action [illegible] from next week's meet[illegible] receding.

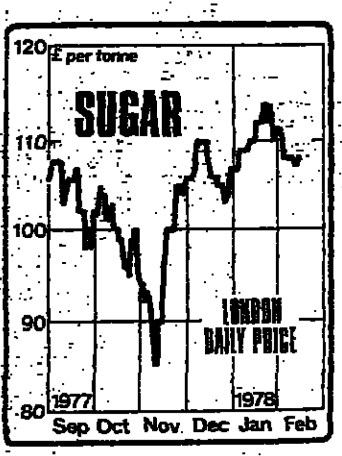
[illegible]theless, the copper [illegible] is in a slightly more optimistic mood, with a further fall in warehouse stocks forecast.

Zinc values on the London Metal Exchange were only temporarily affected by the move by Billiton—later followed by Metallgesellschaft—to reduce its official European producer price for zinc by $50 to $550.

The reduction had been foreshadowed by another producer, Preussag, and in any event was in line with discounts being given by producers to bring their offered prices closely in line with LME levels.

As a result, cash zinc eventually closed the week marginally higher on the Exchange.

Values eased on the world sugar market this week, as traders discounted the rumours of Chinese buying interest which had helped to support prices in recent weeks. Reports of Russian, East European, African and Middle East demand, however, kept the decline to a minimum.




The London daily price slipped to £107 a tonne at one stage, but gained £1 yesterday to end the week only £2 down at £108 a tonne.

On Wednesday the EEC Commission announced the highest amount of export authorisations of the current season. White sugar allotments totalled 49,600 tonnes and raws 25,000. Last week 69,015 tonnes of whites were authorised for export, but no offers for raws were received.

The coffee market had another quiet week with the May position finishing £10.5 higher at £1,638.5 a tonne after reaching £1,679.

The Brazilian Coffee Institute issued a forecast putting the 1978-79 crop at 20.7m. bags (60 kilos each), but this was similar to previous indications and had little impact on prices.

Sr. Camillo Calazans, the institute's president, said the final estimate for the 1977-78 crop was 16.1m. bags and that, if conditions allowed, the country could produce 24m. bags in 1979-80.

Cocoa prices continued to rise, despite reports that Ghana was selling at substantially lower prices than it had demanded until recently. By last night's close the May position had reached £1,501 a tonne—up £49.5 on the week and the highest level for three weeks.

## WEEKLY PRICE CHANGES

[illegible]

## MARKET REPORTS

### BASE METALS

COPPER—Stronger on the London Metal Exchange. Forward metal traded early at £650 and £648, but rumours, later denied, of CIPEC cutbacks induced trade and speculative buying and the price rose to £660 before profit-taking led to a close on the [illegible] [illegible]

[illegible]

### SILVER

Silver was fixed 2.15p an ounce higher for spot delivery in the London bullion market yesterday, at 255p. U.S. cent equivalents of the fixing levels were: spot 489.6c, up 4.5c; three-month 496.8c, up 4.7c; six-month 506.7c, up 5c; and 12-[illegible]

[illegible]

### COCOA

[illegible]

### COFFEE

[illegible]

### GRAINS

[illegible]

### COTTON

[illegible]

of the week. Yesterday's close (cents per pound): March 55.00-56.00, May unquoted, July 56.07-58.10, Oct. 59.50-60.00, Dec. 59.60-61.00. Week's high-low: July 58.87-57.90. Turnover: 105 (351) lots.

### RUBBER

[illegible]

Sept. 78.80-79.50, Nov. 81.30-81.65, Jan. 83.55-83.55. Sales: 185 lots.

IMPORTED—Wheat: CWRS No. 1 13½ per cent., Feb., March £86.00 Tilbury. U.S. Dark Northern Spring No. 2, 14 per cent., Feb. 184.50, March 182.75, transhipment East Coast. U.S. Hard Winter Ordinary, Australian, Argentine, Soviet and EEC grades unquoted.

Maize: U.S./French Feb. £96.75, March 99.75 transhipment East Coast. South African Yellow, March 67.75 quoted. Kenya grade three, March 70.00 nom.

Barley, Sorghum, Oats: unquoted.

[illegible]

### SOYABEAN MEAL

[illegible]

### WOOL FUTURES

[illegible]

### SUGAR

[illegible]

### MEAT/VEGETABLES

[illegible]

COVENT GARDEN—(prices in sterling per package unless stated)—Imported produce: Oranges—Spania: Navels 7.20-3.60. Jaffa: 3.50-3.95. Cyprus: Ovals approx. 18 kilos 2.80-3.20; 20 kilos 3.30-3.80. Egyptian: Baladi 2.30-2.70. Moroccan: 3.00. Temples—American: Approx. 16-lb 3.20. Lemons—Italian: 100/120 2.80-3.20; Cyprus: 2.60-3.50. Grapefruit—Cyprus: 15 kilos 2.40-2.60, 20 kilos 3.00-3.60; Jaffa: 20 kilos 2.50-3.70. Seurs—Spania: Approx. 40-lb 5.00. Satsumas—Spania: 3.20-3.40. Apples—French: 40-lb Granny Smith 6.80-7.00, Golden Delicious [illegible]

[illegible]

## U.S. Markets

## Copper up again; sugar, coffee fall

NEW YORK, Feb. 10.

COPPER closed slightly higher on rumours of a possible cut in production and expectations of a decrease in LME stocks, Bache reported. Precious metals held steady as a result of the weakness of the dollar. Coffee eased on a lack of roaster interest. Sugar finished lower on Commission House liquidation.

Cocoa—March 138.35 (137.75), May 126.60 (126.25), July 122.35, Sept. 119.05, Dec. 117.30, March 115.30, May 113.50, July unquoted. Sales: 509 lots.

Coffee—"C" Contract: March 197.50 (198.00), May 176.00 (178.50), July 161.00, Sept. 156.25-157.00, Dec. 144.99-145.00, March 139.00, May 134.00-137.00, July 135.00 asked. Sales: 665 lots.

Copper—Feb. 58.00 (57.80), March 58.30 (58.10), April 58.80, May 59.50, July 60.30, Sept. 61.20, Dec. 62.50, Jan. 63.10, March 64.00, May 64.90, July 65.90, Sept. 66.30, Dec. 68.20. Sales: 5,200 lots.

Cotton—No. 2: March 55.85-56.05 (56.38), May 57.05-57.25 (57.47), July 58.20-58.20, Oct. 59.15-59.25, Dec. 59.60-59.65, March 60.60, May 61.25-62.00, July 61.75-62.50. Sales: 425,000 bales.

*Gold—Feb. 176.00 (175.00), March 176.90 (175.30), April 178.00, June 180.50, Aug. 183.00, Oct. 185.50, Dec. 188.00, Feb. 190.50, April 193.20, June 196.00, Aug. 198.80, Oct. 201.60, Dec. 204.50. Sales: 9,720 lots.

[illegible]

### FINANCIAL TIMES

[illegible]

### REUTER'S

[illegible]

### DOW JONES

[illegible]

### MOODY'S

[illegible]

# This week's SE dealings

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Friday, February 10 | 6,143 | | Wednesday, February 8 | 5,271 | | Monday, February 6 | 6,411 |
| Thursday, February 9 | 5,926 | | Tuesday, February 7 | 5,552 | | Friday, February 3 | 6,361 |

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in pence and fractions of pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ‖ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (942)

CORPN. & COUNTY—U.K. (59)

FREE OF STAMP DUTY

SHORT DATED BONDS

FREE OF STAMP DUTY

PUBLIC BOARDS (28)

FREE OF STAMP DUTY

COMMONWEALTH GOVTS. (11)

REGISTERED AND INSCRIBED STOCKS

FOREIGN STOCKS (4)

COUPONS PAYABLE IN LONDON

STERLING FOREIGN CURRENCY BONDS

U.K. COMMONWEALTH RAILWAYS

FOREIGN RAILWAYS (1)

BANKS (424)

BREWERIES (187)

CANALS AND DOCKS (8)

COMMERCIAL (3,375)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

# Call for commercial scale fast breeder reactor production

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITAIN would need fast breeder reactors in commercial production by the late 1990s or "certainly by the beginning of the next century." Sir Francis Tombs, chairman of the Electricity Council, told the Anglo-German Trade Council in Frankfurt last night.

To meet that target, said Sir Francis, it would be desirable to start construction of a commercial fast breeder reactor by about the mid-1980s.

The problem was to avoid building such reactors earlier than they were needed or earlier than public opinion would allow, yet to proceed from the present 250 MW prototype to a full-scale 1,300 MW commercial model at a rate that would meet the energy needs of the day.

## Energy gap

It was important, he said, to remember that the energy gap which would appear towards the end of the century would not take the form of non-availability of energy.

Energy prices would move so that demand would be accommodated to the available supplies.

But that statement "cloaked the inevitability that the standard of living of the Western world will fall dramatically unless energy is conserved and alternative sources are found and developed effectively in the intervening years."

Britain certainly would not proceed to the full-scale fast breeder reactor until a public inquiry had been held, and until the Government was "demonstrably satisfied" with the safety arguments.

He expected the inquiry to follow the pattern of the Windscale inquiry and to last for several months.

## Phlegmatic

Development of nuclear power in the U.K., he said, had proceeded fairly calmly "in spite of the presence of pressure groups of all types, many of them American in origin."

The first and most important reason why Britain had avoided a major conflict on the issue was that 20 years of civil nuclear power had built up a high degree of acceptability in the public mind.

Sir Francis, formerly chairman of the South of Scotland Electricity Board, recalled how he had once received a local petition asking the utility to build another nuclear power station at Hunterston, in place of a projected oil refinery.

Another factor was that because electricity demand had not grown at the rate forecast in the 1960s, there had been a "sort of voluntary moratorium" on nuclear construction which had allowed the nuclear debate to be carried on in a calm atmosphere.

The third "and perhaps most important" factor cited by Sir Francis was the phlegmatic nature of the British.

Mrs. Margaret Thatcher, Conservative leader, talking to shop steward Jamal Kidwai during a visit yesterday to the Dean Clough Mills of John Crossley and Sons, carpet manufacturers, at Halifax, West Yorks.

# Architects warned of wasted fuel costs

BY OUR INDUSTRIAL STAFF

BRITAIN is suffering the consequences of buildings designed without consideration for changing fuel costs.

Dr. John Cunningham, Under-Secretary for Energy, told the Society of Chief Architects yesterday that buildings must waste less energy in future.

Energy was never going to be cheap again and prices were likely at least to double in the next 20 years, he said.

"That means that fuel costs could be digging at least twice as deeply into local authority budgets—without any allowance for expanded services, more schools and libraries."

Dr. Cunningham said that money invested now in saving energy could generate cash.

"It may take a year or so, but in many cases savings are mounting up within months, releasing cash not only for the essential school materials, but perhaps for all sorts of new ventures in the provision of amenities and services, allowing the authority to do more for its people with the same budget."

Scottish American Invest. (50p) 78● 80 79½ 9⅛
Scottish Continental Invest. (25p) 59½ (8/2) Wrrnts. 9½ ½ (7/2)
Scottish Eastern Invest. Trust (25p) 117 15 ½ (8/2) 4½pcPf. 38 (9/2)
Scottish European Invest. (25p) 36
Scottish Inv. Tst. (25p) 88● 3.85pcPf. 47 (9/2)
Scottish Mortgage Tst. (25p) 101● 2. 5pcPf. 41 (9/2)
Scottish National Tst. (25p) 128● 8
Scottish Northern Inv. Tst. (25p) 90½● 89● 9. 5pcDb. 1982 23¼
Scottish United Investors (25p) 77 ½ 8 61 (9/2). 5pcPf. 42½●
Scottish Western Inv. (25p) 77½ ½ 4½pcPf. 38 (7/2) 3½pcDb. 24 (9/2)
Second Alliance Tst. (25p) 167 (9/2). 4 pc Pf. 41
Securities Tst. of Scotland (25p) 157● 60 1 59½ 4½pcPf. 40● (9/2). 7pcDb 68 (7/2)
Sphere Inv. (25p) 98●. 5pcDb. 77 6½ (7/2)
Sterling Tst. (25p) 153
Stockholders Inv. Tst (25p) 80● 79½
Technology Inv. Tst (25p) 80½ (9/2)
Throgmorton Secured Growth Tst (25p) 24 (9/2). Cap.Ln. 88
Throgmorton Tst (25p) 67●

T.O. Gulf 8pc 1984 £99½● ½●
Tri Continental £12⅝
Utah 6pc 1987 £99● ½●
West Coast Transmission £12⅞
Whim Creek 40
Woolworth (F. W.) Com. £12½●

## RULE 163 (2) (a)

**Applications granted for specific bargains in securities not listed on any Stock Exchange.**

### FEBRUARY 10

All England Lawn Tennis £50Dbs. £4,400
Cardiff Provincial Props. 45
Cedar Hldgs. 5½ 4
Clairmace 36
Clyde Petroleum 132
Dart Valley Light Rlwy 32 30
Doloswella Hldgs. 32 31
Eastbourne Waterworks 5½pcRed Db. £65 £62
Exchem 20
Ferranti 261 200
G.R.A. Pro. Tst 13½ 13¼ 13
Gadek (Indonesia) 47
Jersey (States of) 6½pc House Construction Ln. £84
Oldham Brewery 60 57
Queens Park Rangers Football Club 105
Queen Street Warehouse 3 2¾
Shipstone (James) 171
Sutton Harbour Improvement 96
Tricentrol Wrnts. to sub. for Ord. 110 109½

### FEBRUARY 9

Cedar Hldgs. 4
Clairmace 35
Crystal Palace F and AC 130
Ferranti 257 255
GRA Prop. Tst. 13¼ 13 12¾ 12½ 12
General Ceylon (Hldgs.) 5
Grendon Tst. 11pcSub.Uns.Ln. 1976-81 £54
Heavitree Brewery 4.2pcNon-Cum.APf. (£5) 150
Heavitree Brewery 4.2pcNon-CumAPf. (£5) 150
Ipswich Town FC 84
Johnson and Barnes 7½pcPf. 3
New Court Natural Resources 6
North Sea Assets 902 900
Oldham Brewery 60
United Friendly Insurance 8 59
Viking Oil 197½

### FEBRUARY 8

Ann Street Brewery 540
Baxter (W. H.) 128
Channel Hotels and Props. 18
Channel Islands Communications (TV) 35
Dundee-Angus Ice Rink 170 162
Eldridge Pope A 173
Elec. and Ind. Inv. 6pcCum.Pf. 35 33½
Electrical and Ind. Inv. 7pcPf. 37 35½
Grendon Tst. 11pcSub.Uns.Ln. 1976-81 £54
Jersey Canning 4pcCum.Pf. 29

North Sea Assets 902 900

Queensland Mines ($A0.50) 140 110
Seymours 4pcCum.Ptg.Pf. 45
Sunday Rasaja Invs. 2
Twinlock 12pcUns.Ln. 1976-79 £80 £78
3M United Kingdom 4¾pcCum.Pf. 46 45
Viking Oil 196
Weetabix A 62

### FEBRUARY 7

Blyth Greene Jourdain 181
Burrough (James) 108½
Doloswella Hldgs. 32 31 30
Ferranti 238½ 237 235
Fuller Smith and Turner A 270
GRA Prop. Tst. 13 12¾ 12½ 12
Grendon Tst. 11pcSub.Uns.Ln. 1976-81 £55 £53 £50
Jersey Milk Marketing Board 6pc1stMt. Bds. 1971-88 £70
Jersey New Waterworks 6½pcMt.Db. 1978-80 £90. 3½pcCum.2ndPf. 130
Kathleen Invs (Australia) ($A0.50) 90 100
Leicester Racecourse Hldgs (£50) £70 £67
Stylo Barratt Shoes 7pcCum.Pf. 43 42
Stylo Barratt Shoes 7pcCum.Pf. 43 42

### FEBRUARY 6

Caledonian Offshore 9
Central Equipment B 325
NMW Computers 77
Urogate Invs. 58
Vickers da Costa 70

## RULE 163 (3)

**Bargains marked for approved companies engaged solely in mineral exploration.**

### FEBRUARY 9

C.C.P. North Sea Assoc. £10
Gas and Oil Acreage 94 98
Siebens Oil and Gas (U.K.) 272 272 278 278 280 280 282 282 882 284 284 286 286 288 288

### FEBRUARY 8

Cluff Oil 437½
Gas and Oil Acreage 97
Siebens Oil and Gas (U.K.) 270 268 269

### FEBRUARY 7

CCP North Sea Associates £10¼ £10
Gas and Oilacreage 97 95
Siebens Oil and Gas (U.K.) 270 268 268 264

### FEBRUARY 6

Gas and Oil Acreage 95
Siebens Oil and Gas (U.K.) 264 266

### FEBRUARY 3

Gas and Oil Acreage 90

(By permission of the Stock Exchange Council)

### FEBRUARY 9

Acmex Hldgs 9●
Afrikander Leases 325
Australian Devs. $US0.44 ●30
BP Canada 900●
Bougainville Copper 73● 7
Ciba Geigy 8pcCnv. £97
Colonial Sugar Refineries 220
Gould Inc. £20⅛●
Home Oil £24⅛
Hudson's Bay Oil Gas £25⅛● 5⅞
Hutchison Wampoa 53
Idaho Power £17.77

## GOLD MARKET

| | Feb. 10 | Feb. 9 |
|---|---|---|
| Gold Bullion (a fine ounce) | | |
| Close | $174¾-175½ | $172¾-173½ |
| Opening | $174-174¾ | $174-174½ |
| Morning fix | $174.40 (£89.922) | $174.0 (£90.006) |
| Afternoon fix | $174.65 (£90.223) | $172.85 (£89.430) |
| Gold Coins domestically | | |
| Krugerrand | $181-183 (£93½-94½) | $178¾-180¾ (£92½-93½) |
| New Sov'gns | $56-58 (£29-30) | $55-57 (£28½-29½) |
| Old Sov'rgns | $54¾-56¾ (£28¼-29¼) | $54¼-56¼ (£28-29) |
| Gold Coins (Internat'lly) | | |
| Krugerrand | $179¾-181¾ (£93-94) | $177¾-179¾ (£92-93) |
| N'w Sovr'gns | $55¾-57¾ (£28¾-29¾) | $55-57 (£28½-29½) |
| Old Sovr'gns | $54¾-56¾ (£28¼-29¼) | $54¼-56¼ (£28-29) |
| $20 Eagles | $260¼-265¼ | $258-261 |

## CURRENCY RATES

| | Special Drawing Rights February 10 | European Unit of Account February 10 |
|---|---|---|
| Sterling | 0.626175 | 0.630444 |
| U.S. dollar | 1.21152 | 1.21995 |
| Canadian | 1.34627 | 1.35472 |
| Austria sch. | 18.3303 | 18.4415 |
| Belgian franc | 39.7045 | 39.9812 |
| Danish krone | 6.94504 | 6.99363 |
| Deutschemark | 2.55473 | 2.57281 |
| Dutch guilder | 2.73501 | 2.75449 |
| French franc | 5.94008 | 5.98849 |
| Italian lira | 1046.75 | 1054.17 |
| Japanese yen | 292.705 | 294.629 |
| Norway krone | 6.22903 | 6.27254 |
| Spain peseta | 98.0398 | 98.6824 |
| Swedish krone | 5.64689 | 5.68024 |
| Swiss franc | 2.37216 | 2.38765 |

# MONEY + EXCHANGES

# MLR unchanged

**Bank of England Minimum Lending Rate 6½ per cent. (since January 6, 1978)**

The Treasury bill rate rose by 0.0274 per cent. at yesterday's tender, to 5.9549 per cent., and Bank of England Minimum Lending Rate was unchanged at 6½ per cent. The minimum accepted bid was £98.50½, compared with £98.51½ previously, and bids at that level were met as to about 12 per cent. The £300m. bills tendered and allotted attracted bids of £522.83m. All bills offered were allotted. Next week a further £300m. will be on offer replacing maturities of £350m.

The authorities success in selling gilt-edged stock on Thursday was a major factor behind the shortage of day-to-day credit in the London money market yesterday.

Apart from settlement of a substantial number of gilts, the shortage was also caused by a fairly large net take-up of Treasury bills, and a fairly large increase in the note circulation. On the other hand banks brought forward surplus balances, and the market was also helped by a fairly large excess of Government disbursements over revenue payments to the Exchequer.

The authorities gave very large assistance by buying a very large amount of Treasury bills from the discount houses, and a small number of local authority bills. This was probably not enough to take out the full shortage however, and banks are expected to carry over run down balances.

Discount houses paid 5-6½ per cent. for early loans, but closing balances were taken at 4-5½ per cent., although interbank overnight rates touched 7-7½ per cent. in late trading.

| Feb. 10 1978 | Sterling Certificate of deposits | Interbank | Local Authority deposits | Local Auth. negotiable bonds | Finance House Deposits | Company Deposits | Discount market deposit | Treasury Bills ✦ | Eligible Bank Bills ✦ | Fine Trade Bills ✦ |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 4½-7½ | — | — | — | 6¼ | 4-6¼ | — | — | — |
| 2 days notice | — | — | 5¾-6 | — | — | — | — | — | — | — |
| 7 days or 7 days notice | — | 5⅞-6⅛ | 5¾-6⅛ | — | 5¾-6¼ | 6½ | 5½-6⅛ | — | — | — |
| One month | 6⅛-6⅛ | 6⅛-6¼ | 6-6¼ | 6⅝-6¼ | 6⅝-6⅝ | 6½ | 5½ | 5⅞ | 6⅛ | 7 |
| Two months | 6⅛-6[illegible] | 6⅛-6[illegible] | — | 6⅝-6⅝ | 6⅝-6⅞ | — | 6 | 5[illegible] | 6[illegible]-6¼ | 6⅞-7 |
| Three months | 6[illegible]-6[illegible] | 6⅝-6[illegible] | 6½-6⅝ | 6¾-6⅝ | 6⅞-7[illegible] | 7 | 6⅛-6¼ | 5[illegible]-5[illegible] | 6½-6[illegible] | 6¾-7 |
| Six months | 7[illegible]-6[illegible] | 7⅛-7[illegible] | 7-7⅛ | 6¾-6½ | 7⅜-7¾ | — | — | — | 6[illegible] | 6¾-7 |
| Nine months | 7[illegible]-7[illegible] | 7½-7[illegible] | — | 7⅜-7⅛ | 8 | — | — | — | — | — |
| One year | 7⅝-7[illegible] | 7¾-7⅞ | 7½-7⅞ | 7⅝-7⅜ | 8¼ | — | — | — | — | — |
| Two years | — | — | 8¾-9 | — | — | — | — | — | — | — |

Local authorities and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 10 per cent.; four years 10¼ per cent.; five years 10½ per cent. ✦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 6⅛ per cent.; four-month trade bills 6¾-7 per cent.

Approximate selling rate for one-month Treasury bills 5⅞-5¹⁵⁄₁₆ per cent.; two-month 5¾ per cent.; and three-month 5¾-5²⁹⁄₃₂ per cent. Approximate selling rate for one-month bank bills 6⅛ per cent.; two-month 6¹⁄₁₆-6⅛ per cent.; and three-month 6³⁄₁₆ per cent. One-month trade bills 6¾ per cent.; two-month 6¾-6⅞ per cent.; and also three-month 6¾-6⅞ per cent.

**Finance House Base Rates** (published by the Finance Houses Association): 7 per cent. from February 1, 1978. **Clearing Bank Deposit Rates** (for small sums at seven days' notice) 3 per cent. **Clearing Bank Rates** for lending 6½ per cent. **Treasury Bills:** Average tender rates of discount 5.9549 per cent.

## EXCHANGES AND BULLION

Sterling showed little change on balance in the foreign exchange market yesterday, but trading was generally dull and thin. The pound opened at $1.9325-1.9335 against the U.S. dollar and was steady at around $1.9350 for most of the day, before touching a best level of $1.9370-1.9380 in the afternoon. It closed at $1.9350-1.9360, a rise of five points on the day. Sterling's trade-weighted index against a basket of currencies, as calculated by the Bank of England, was unchanged throughout at 66.2.

Forward sterling continued to improve slightly, with the three-month pound finishing at par against the dollar, compared with a discount of 0.08 cent previously.

The Bank of France probably gave some support to the French franc when it touched Fr.Frs.4.9170 against the dollar in early trading. The franc improved to a high point of Fr.Frs.4.8650, and closed at Fr.Frs.4.8850, compared with Fr.Frs.4.90 on Thursday, but is still influenced by nervousness about the outcome of next month's General Election.

There was some demand for the stronger currencies, particularly the Swiss franc, ahead of the closure of New York banks on Monday for a public holiday. The Swiss currency touched a best level of Sw.Frs.1.9460-1.9490, with the wide spread reflecting the lack of selling interest in thin trading. It closed at Sw.Frs.1.9505, compared with Sw.Frs.1.9592½ previously.

Gold rose $2 to £174¾-175¾, also as a result of the lack of selling in a thin market.

## EXCHANGE CROSS-RATES

| Feb. 10 | Frankfurt | New York | Paris | Brussels | London | Amst'd'm | Zurich |
|---|---|---|---|---|---|---|---|
| Frankfurt | — | 2.1075-85 | 42.95-43.05 | 6.429-439 | 4.077-087 | 94.32-42 | 107.65-75 |
| New York | 47.50-55 | — | 20.46-49 | 3.055-066 | 1.937-948 | 44.29-38 | 51.45-55 |
| Paris | 232.56-66 | 4.897-909 | — | 14.951-986 | 9.481-601 | 217.07-57 | 250.39-89 |
| Brussels | 15.52-7 | 32.74-79 | 6.76-69 | — | 63.36-52 | 14.50-54 | 16.72-77 |
| London | 4.07[illegible] | 1.935-936 | 9.44-46 | 65.40-50 | — | 4.38¼-37¼ | 3.77-78 |
| Amsterdam | 107.04-09 | 2.2262-87 | 46.055-105 | 6.8895-8945 | 4.3445-95 | — | 116.275-55 |
| Zurich | 92.752-836 | 1.9458-68 | 40.016-098 | 5.9664-9722 | 3.7637-66 | 88.8825-7453 | — |

U.S. $ in Toronto U.S. $ = 111.06-08 Canadian cents.
Canadian $ in New York = 90.03-05 cents. U.S. $ in Milan 863-864.80
Sterling in Milan 1670.00-1671.00.

## EURO-CURRENCY INTEREST RATES*

| Feb. 10 | Sterling | Canadian Dollar | U.S. Dollar | Dutch Guilders | Swiss franc | W. German mark |
|---|---|---|---|---|---|---|
| Short term | 6-6½ | 6¼-7¼ | 6⅝-6⅞ | 5⅝-5⅞ | ¼-⅜ | 5¼-5⅜ |
| 7 days notice | 6¼-6¾ | 6½-7½ | 6¾-7 | 5⅝-5⅞ | ¼-⅜ | 5¼-5⅜ |
| Month | 6⅝-7 | 6⅝-7⅛ | 6¾-7 | 5⅛-5⅜ | [illegible] | 5⅛-5¼ |
| Three months | 7⅜-7⅝ | 6⅞-7¼ | 7⅛-7⅜ | 5-5¼ | [illegible] | 5⅛-5¼ |
| Six months | 7⅞-8⅛ | 7¼-7⅝ | 7½-7¾ | 4⅞-5⅛ | 1¼-1⅜ | 3[illegible]-3[illegible] |
| One year | 8⅛-8⅜ | 7⅝-7¾ | 7¾-8 | 5¼-5½ | 1[illegible]-1[illegible] | 3¼-3⅜ |

Euro-French deposit rates: two-day 15-16 per cent.; seven-day 14-15 per cent.; one-month 16¾-18¼ per cent.; three-month 15-15½ per cent.; six-month 14¼-14¾ per cent.; one year 13½-14 per cent.

Long-term Eurodollar deposits: two years 7¹⁵⁄₁₆-8¹⁄₁₆ per cent.; three years 8¹⁄₁₆-8³⁄₁₆ per cent.; four years 8⁵⁄₁₆-8⁵⁄₁₆ per cent.; five years 8⁵⁄₁₆-8⁷⁄₁₆ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 6.85-6.95 per cent.; three-month 7.08-7.18 per cent.; six-month 7.40-7.50 per cent.; one-year 7.60-7.70 per cent.

* Rates are nominal calling rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars: two days' notice for guilders and Swiss francs.

## FOREIGN EXCHANGES

| Feb. 10 | Bank Rate % | Day's Spread | Close |
|---|---|---|---|
| New York | 6½ | 1.9325-1.9380 | 1.9350-1.9360 |
| Montreal | 7½ | 2.1445-2.1530 | 2.1485-2.1495 |
| Amsterdam | 4½ | 4.35½-4.38 | 4.36¼-4.37¼ |
| Brussels | 5½ | 63.20-63.55 | 63.40-63.50 |
| Copenhagen | 8 | 11.05-11.10 | 11.08¼-11.09½ |
| Frankfurt | 3 | 4.06¾-4.09 | 4.07¼-4.08¼ |
| Lisbon | 13 | 78.60-78.80 | 78.65-78.85 |
| Madrid | 8 | 156.40-156.85 | 156.55-156.65 |
| Milan | 11½ | 1,669-1,673 | 1,671½-1,672½ |
| Oslo | 6 | 9.92¾-10.06 | 9.94½-9.95½ |
| Paris | 9½ | 9.42-9.52 | 9.44-9.46 |
| Stockholm | 8 | 8.98½-9.03 | 9.00¾-9.01¾ |
| Tokyo | 4¼ | 462-472 | 467-469 |
| Vienna | 5½ | 28.10-28.35 | 28.25-28.35 |
| Zurich | 1½ | 3.76¾-3.80 | 3.77-3.78 |

‡ Rates given are for convertible francs. Financial franc 63.20-63.30.

### OTHER MARKETS

| | | | Notes Rates |
|---|---|---|---|
| Argentina | 1266-1270 | Argentina | 1200-1300 |
| Australia | 1.6948-1.7119 | Austria | 28¾-29¾ |
| Brazil | 30.84-31.84 | Belgium | 62¼-63¼ |
| Finland | 7.70-7.72 | Brazil | 35-36 |
| Greece | 69.283-70.891 | Canada | 2.14¼-2.16¼ |
| Hong Kong | 8.90½-8.93½ | Denmark | 11.00-11.20 |
| Iran | 132-135 | France | 9.40-9.60 |
| Kuwait | 0.536-0.546 | Germany | 4.00-4.15 |
| Luxemb'rg | 63.40-63.50 | Greece | 70-75 |
| Malaysia | 4.56-4.58 | Italy | 1665-1765 |
| N. Zealand | 1.8675-1.9065 | Japan | 430-445 |
| Saudi Arab. | 6.66-6.76 | Netherl'nds | 430-440 |
| Singapore | 4.49½-4.51½ | Norway | 9.85-10.05 |
| S. Africa | 1.6697-1.6556 | Portugal | 76-86 |
| U.S. | | Spain | 158-164 |
| Canada | | Switz'land | 3.75-3.85 |
| U.S. $1 | | U.S. | 1.93-1.95 |
| U.S. cents | 90.02-90.05 | Yugoslavia | 37½-39½ |

Rate given for Argentina is a free rate.

## FORWARD RATES

| | One month | Three months |
|---|---|---|
| New York | 0.05 pm-0.07 dis | 0.05 pm-0.05 dis |
| Montreal | par-0.10 c. dis | 0.07 pm-0.03 dis |
| Amst'dam | [illegible] c. dis | 2⅝-1⅝ c. pm |
| Brussels | par-10 c. dis | par-10 c. dis |
| Cop'nhgn | 8¼-10¼ ore dis | 24¼-26¼ ore dis |
| Frankfurt | 1⅛-⅛ pf. pm | 4⅝-3⅝ pf pm |
| Lisbon | 65-140 c. dis | 360-600 c. dis |
| Madrid | 30-110 c. dis | 210-290 c. dis |
| Milan | 7-15 lire dis | 26-44 lire dis |
| Oslo | 8¼-10¼ ore dis | 24¼-26¼ ore dis |
| Paris | 6¼-7¼ c. dis | 18¼-19¼ c. dis |
| Stockh'lm | 3-5 ore dis | 10¼-12¼ ore dis |
| Vienna | par-10 gro dis | 4-14 gro dis |
| Zurich | 2⅛-1⅛ c. pm | 6¼-5¼ c. pm |

Six-month forward dollar 0.20-0.30c pm.
12-month 0.50-0.60c pm.

## LOCAL AUTHORITY BOND TABLE

| Authority (telephone number in parentheses) | Annual gross interest % | Interest payable | Minimum sum £ | Life of bond Year |
|---|---|---|---|---|
| ...ey Metro. (0226 203232) | 9½ | ½-year | 250 | 4-7 |
| ... (02013 5151) | 9½ | ½-year | 500 | 4 |
| ... (02013 5151) | 9¾ | ½-year | 500 | 5-7 |
| ...ng (0734 592337) | 10 | ½-year | 1,000 | 5-7 |
| ...dge (01-478 3020) | 9¾ | ½-year | 200 | 5-7 |
| ...nd (0702 49451) | 9 | ½-year | 250 | 3 |
| ...ck (0375 5122) | 9¾ | ½-year | 300 | 4 |
| ...ck (0375 5122) | 10 | ½-year | 300 | 5-7 |
| ... (0952 505051) | 8 | ½-year | 500 | 2 |
| ... (0952 505051) | 10 | yearly | 1,000 | 4 |

# BUILDING SOCIETY RATES

| | Deposit Rate | Share Accnts. | Sub'pn Shares | *Term Shares |
|---|---|---|---|---|
| ... National | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs. |
| ...ce | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs., 5.75% 1 yr. |
| ... | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs., 5.75% 1 yr. |
| ...ngham Incorporated | 5.75% | 6.00% | 7.25% | 6.50% 2 yrs., 6.25% 1 yr. |
| ...ord and Bingley | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs., min. £500 |
| ...l and West | 5.75% | 6.00% | 7.25% | — |
| ...l Economic | 5.75% | 6.00% | 7.25% | 6.25% 3 months' notice |
| ...nia | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs. |
| ...ey | §5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs. |
| ...lic | 5.50% | ●6.20% | 7.25% | — ● 6.45% over £5,000 |
| ...a | 5.75% | 6.00% | 7.25% | 6.75% 6 months' notice, minimum £500 |
| ...nham and Gloucester | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs. (£500-£15,000) |
| ...ns Regency | 5.75% | 6.30% | 7.80% | 7.55% 3 yrs. over £5,000 |
| ...of London | 5.50% | 5.80% | 6.75% | 6.72% 3 yrs., min. £500 |
| ...try Economic | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs. Cap. Shares 6.00% |
| ...shire | 5.25% | 5.50% | 6.75% | — Up to 6% 3 months' notice |
| ...ay | 5.25% | 5.50% | 6.75% | 6.50% 3yrs., 6.00% 2yrs., min.£500-£15,000 |
| ...wich | 5.75% | 6.10% | 7.50% | 7.10% 2 yrs., fixed 1% over Share Accts. |
| ...lian | 5.75% | 6.25% | 6.50% | 6.95% 3 mths' notice, minimum £1,000 |
| ...x | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs. |
| ...ngs and Thanet | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 1½ yrs., £250-£15,000 |
| ... of England | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs., min. £500 |
| ...s of Oak & Enfield | §5.25% | 5.75% | 7.25% | 6.75% 3 yrs., 6.50% 2 yrs., 6.25% 1 yr. |
| ...m | 6.00% | 6.50% | — | 7.00% 6 months' notice, minimum £2,000 |
| ...ersfield & Bradford | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs., £100-£15,000 |
| ...ngton Spa | 5.35% | 5.60% | 7.36% | 6.35% 2 yrs. |
| ... Permanent | 5.25% | 5.50% | 6.75% | — |
| ...ster | 5.25% | 5.50% | 6.75% | 6.50% 3yrs., 6.00% 2yrs., min.£100-£15,000 |
| ...pool | 5.75% | 6.00% | 7.45% | 7.10% 3 yrs., 6.60% 2 yrs., min. £1,000 |
| ...n Goldhawk | 5.75% | 6.25% | 7.50% | 7.25% 3 yrs., 6.75% 1 yr. |
| ...n Mowbray | 5.85% | 6.10% | 7.25% | 6.85% 2 years |
| ...ires | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs. min. £250 |
| ...ngton | 5.70% | 6.70% | — | — |
| ...nal Counties | 6.00% | 6.30% | 7.30% | — |
| ...nwide | 5.25% | 5.50% | 6.75% | 6.50% 3-4 yrs., min. £500, 6.00% 2 yrs. |
| ...astle Permanent | 5.75% | 6.00% | 6.50% | 7.30% 3 yrs., 7.00% 2 yrs. |
| ... Cross | 6.50% | 6.75% | — | — |
| ...ern Rock | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs., min. £100 |
| ...ich | 5.75% | 6.00% | 7.50% | 7.00% 2 yrs., minimum £500 |
| ...y | 5.25% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs. min. £500 |
| ...ham Mutual | 6.00% | 6.50% | — | — |
| ...ian | 5.35% | 5.50% | 6.75% | 6.50% 3 yrs., 6.00% 2 yrs., 5.75% 3 mths. |
| ...essive | 5.40% | 5.65% | 6.75% | 6.65% 3yrs., 6.40% 2yrs., 6.15% 3mths.not. |
| ...rty Owners | ■5.75% | 6.50% | 7.75% | 6.90% 3 mths. not. ■ 5.00% to limitd. cos. |
| ...ncial | 5.25% | 5.50% | 6.75% | 6.50% 3-4 yrs., 6.00% 2 yrs. |
| ...on | 5.75% | 6.00% | 7.25% | 7.00% 3 yrs., 6.50% 2 yrs. |
| ...x Mutual | 6.05% | 6.85% | 6.35% | 6.70% 3 months' notice, min. £500 |
| ... and Country | 5.25% | 5.50% | ✦10.00% | 6.30% 3 yrs., 6.00% 2 yrs. ✦ Max. £250 |
| ...wich | 5.25% | 5.50% | 6.75% | 6.00% 2 yrs., 6.50% 3 yrs. |

...es normally variable in line with changes in ordinary share rates. § Effective from March 1.

## U.K. CONVERTIBLE STOCKS 10/2/78

Statistics provided by data STREAM International

| Name and description | Size (£m.) | Current price | Terms* | Conversion dates | Flat yield | Red. yield | Premium† Current | Premium† Range‡ | Income Equ.§ | Income Conv.¶ | Income Diff.▽ | Cheap(+) Dear(−)◇ Current |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Alcan Aluminium 9pc Cv. 89-94 | 9.05 | 142.50 | 100.0 | 76-80 | 6.4 | 4.3 | | | | | | |
| Associated Paper 9½pc Cv. 85-90 | 1.40 | 99.50 | 200.0 | 76-79 | 9.6 | 9.7 | − 2.5 | −10 to −2 | 8.8 | 8.8 | 0.0 | + 2.5 |
| Bank of Ireland 10pc Cv. 91-96 | 8.22 | 149.00 | 47.6 | 77-79 | 6.9 | 5.2 | − 7.2 | − 8 to −2 | 14.9 | 14.0 | − 0.8 | + 6.6 |
| British Land 12pc Cv. 2002 | 7.71 | 132.00 | 333.3 | 80-97 | 9.4 | 9.1 | 14.8 | 12 to 39 | 0.0 | 94.6 | 82.3 | +67.5 |
| Change Wares 12pc Nt.Cv.Pt. | 0.55 | 0.20 | 1.0 | 79-83 | 9.0 | 4.8 | − 4.8 | − 7 to 27 | 29.1 | 66.4 | 17.8 | +22.6 |
| English Property 6½pc Cv. 98-03 | 8.84 | 90.00 | 234.0 | 76-79 | 7.4 | 7.6 | − 2.6 | − 8 to 1 | 11.6 | 6.2 | − 5.9 | − 3.2 |
| English Property 12pc Cv. 00-05 | 15.31 | 94.00 | 150.0 | 76-84 | 13.2 | 13.3 | 58.6 | 40 to 66 | 31.8 | 52.4 | [illegible] | −23.6 |
| Grand Metropolitan 10pc Cv. 91-96 | 122.30 | 113.50 | 120.2 | 73-78 | 9.1 | 8.7 | − 5.8 | −10 to 0 | 4.7 | 0.0 | − 3.9 | + 1.6 |
| Hanson Trust 6½pc Cv. 88-93 | 4.51 | 82.00 | 57.1 | 76-80 | 8.2 | 9.0 | 7.1 | − 1 to 9 | 10.9 | 11.8 | 1.2 | − 5.9 |
| Hewden-Stuart 7pc Cv. 1995 | 0.07 | 220.00 | 470.4 | 75-79 | 3.2 | 0.1 | −13.4 | −13 to −5 | 14.6 | 6.5 | − 3.2 | +10.2 |
| Pentos 15pc Cv. 1985 | 1.06 | 130.00 | 166.7 | 76-82 | 11.7 | 9.8 | 2.6 | 2 to 10 | 47.7 | 47.5 | − 0.1 | − 2.8 |
| Slough Estates 10pc Cv. 87-90 | 3.50 | 161.00 | 125.0 | 78-87 | 6.3 | 2.7 | 8.2 | 6 to 16 | 37.6 | 55.6 | 12.1 | + 3.8 |
| Tozer, Kemsley 8pc Cv. 1981 | 7.33 | 89.00 | 153.9 | 74-79 | 9.2 | 12.6 | 31.5 | 21 to 41 | 12.0 | 11.1 | − 1.4 | −32.9 |
| Wilkinson Match 10pc Cv. 83-98 | 11.10 | 96.00 | 40.0 | 76-83 | 10.5 | 10.6 | 25.7 | 22 to 36 | 28.4 | 40.3 | 18.2 | − 7.5 |

* Number of Ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent. of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of Ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on Ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent. per annum and is present valued at 12 per cent. per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent. per annum. ▽ This is income of the convertible less income of the underlying equity expressed as per cent. of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent. of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

STOCK EXCHANGE REPORT

# Leading equities drift lower on lack of support

## Index sheds 2.3 for week's rally of 12.3 to 471.0

**Account Dealing Dates**

| Option *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| Jan. 30 | Feb. 9 | Feb. 10 | Feb. 21 |
| Feb. 13 | Feb. 23 | Feb. 24 | Mar. 7 |
| Feb. 27 | Mar. 9 | Mar. 10 | Mar. 21 |

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Following the two-day rally on relief that the miners are not to attempt to breach the Government's pay guidelines, stock markets traded only narrowly yesterday. Short-dated British Funds put on the brightest showing with gains to nearly ½ in the early trade which were held to the close in the absence of a rise in Minimum Lending Rate and of a tap stock. Longer-dated issues, however, gave up early gains to ⅜ and ended unchanged on disappointment that the Government broker was holding his selling price for long tap at 26⅞ for the £30 paid stock. The Government Securities index put on 0.06 for a net rise on the week of 0.57 at 75.40 despite Monday's drop of 0.78 on monetary and wage fears.

Leading equities started cautiously and lack of follow-through support saw prices drifting easier before ending a shade above the lowest. Up 0.6 at 10 a.m., the F.T. Industrial Ordinary share index progressively eased until 3 p.m., when it was showing a loss of three points. The harder tendency towards the end left the closing index 2.3 down at 471.0 at which level it was showing a gain of 12.3 on the week but a net loss of 6.5 on the Account; the index has lost ground on the last four successive Accounts, but the fall over the intervening nine weeks amounts to 14.9, or less than 3 per cent.

Index constituents yesterday ended little changed with irregular price movements usually limited to threepence, but A.P. Cement weakened 7 late to 233p following notification that the Price Commission is to investigate the group's application for a price increase.

A smattering of useful gains emerged in some of the more speculative second-line equities, but rises and falls in all F.T.-quoted Industrials were in balance as compared with the previous day's six-to-one in favour of rises.

### Gilts less eventful

A much less eventful day in Gilt-edged came quietly to its close with the shorter maturities higher, but off the best, and the longs virtually unchanged after early gains to ⅜ in high-coupon issues. Sentiment at the longer end of the market changed direction when the Government broker unexpectedly supplied the tap Exchequer 10½ per cent. 1995 at 26⅞, and not at 26½ as anticipated. This took most operators by surprise and a certain amount of stock indigestion followed which caused the price structure to revert to the overnight list, a level subsequently maintained in light trading through to inter-office business. Meanwhile, the shorts had similarly opened firmly with gains approaching ¼, but became erratic of thoughts about the possible announcement of a new short tap issue before firming in its absence after 3.30 p.m.. However, easiness set in once again and only selective low-coupon stocks settled with rises to ⅛. Corporations retained their upward momentum and LCC 5½ per cent. 1985/87 gained a full point to 72½. Among recently-issued Fixed Interest stocks, S. Pearson 10½ per cent. Partly Convertible Loan 1993/98, issued in connection with the acquisition of Madame Tussaud's, made a quiet debut at £100. In first-time dealings, Citicorp Overseas Finance 10½ per cent. Notes 1983 were $A98½.

Initial firmness faded in the investment currency market following sterling's gradual improvement and the rate reacted from 78⅜ per cent. to 77 per cent. before late support on institutional account restored it to the overnight level of 78½ per cent. Yesterday's SE conversion factor was 0.7568 (0.7556).

### Banks easier

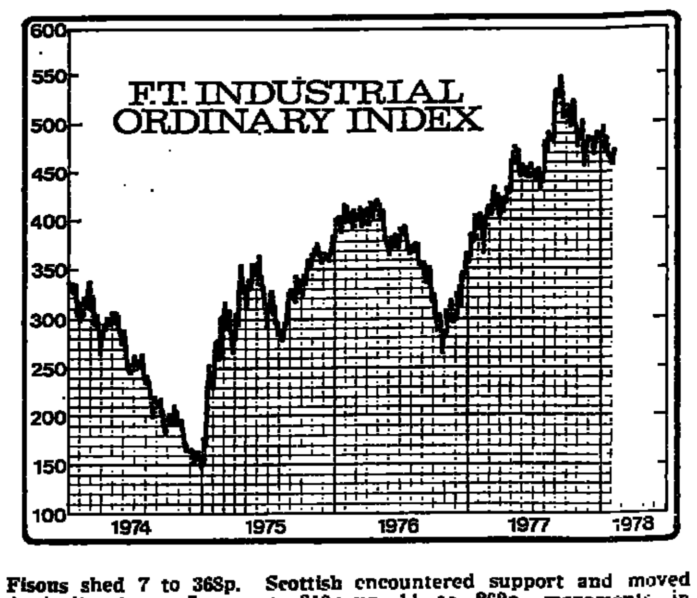
The major clearing banks drifted gently lower on lack of support and Barclays finished 3 off at 317p. Lloyds, which start the dividend season next Friday, ended a penny off at 265p. A dull market since Wednesday's disappointing interim figures, UDT remained friendless and fell further to 36p before closing 3 down on the day at 37p. Other Hire Purchases were also dull with Lloyds and Scottish a similar amount easier at 90p and Wagon Finance a penny off at 87p; the latter's preliminary results are due next Friday.

The announcement that Sun Alliance is to go ahead with its planned increase in motor premiums despite the pay dispute with the Government saw the shares harden 2 to 544p. But other Composite Insurances drifted lower. General Accident ended 6 off at 212p and Royals 5 easier at 373p; GA's results are due on March 1.

Secondary issues provided the only movements of any consequence in Breweries. Belhaven rose 4 to 46p, while Vaux, 410p, and Border, 74p, put on 5 and 6 respectively. Elsewhere, Distillers held the overnight level of 175p awaiting news of its appeal against the EEC Commission's ruling that some of its trading practices are unlawful.

AP Cement became a late casualty in Buildings, falling 7 to 233p in response to the Price Commission's decision to investigate the group's application for increased cement prices from March 1. Other cement concerns eased in sympathy with Tunnel B closing 2 off at 256p and Rugby Portland 1½ lower at 77½p. Elsewhere, Vibroplant firmed 6 more to 174p and Marchwiel added 4 at 250p as did Gough Cooper, to 78p. Derek Crouch hardened 2 to 90p; the preliminary results are due on March 9.

After a firm start, ICI drifted lower to finish 2 off at 354p. Albright and Wilson closed a similar amount lower at 95p ahead of next Thursday's results, while Fisons shed 7 to 368p. Scottish Agricultural rose 5 more to 210p on further consideration of the record profits.




Renewed speculative demand in a restricted market prompted a gain of 15 to 400p in Caledonian Associated Cinemas.

### Lee Cooper firm

Slightly more interest was shown in the Store majors which closed mixed. Gussies A shed 4 to 276p and House of Fraser cheapened 2 to 135p, after 133p, but Burton A edged forward a penny to 120p as did UDS to 90p. Elsewhere, demand in a thin market prompted a gain of 7 to 112p in Lee Cooper, while modest support ahead of next Tuesday's half- some of its trading practices are ture Centres close 2 dearer at 116p. Reflecting the first-half loss, Customagic Manufacturing lost the turn to 20p.

Little of interest occurred in the Electrical leaders. Thorn and GEC both closed a few pence firmer at 368p and 264p respectively. On the other hand, occasional offerings left EMI 5 lower at 174p; the interim results are due early next month. Elsewhere, Wigfall encountered late support awaiting further devlopments in thee bid situation and ended 8 to the good at 276p. Other bright spots included Forward Technology, 2 dearer at 108p, and Electronic Machine, which gained 1½ to 23p. Ever Ready, however, weer dull at 152p, down 6, along with Sound Diffusion, 2 cheaper at 41p.

AA rather drab in the Engineering leaders saw Tubes move narrowly before closing 2 cheaper at 384p, and Vickers end a like amount down at 184p. Apart from Spirax-Sarco, which encountered support and moved up 14 to 262p, movements in Secondary issues rarely exceeded a few pence either way. Sporadic demand left Green's Economisers 3 firmer at 77p, while Ransomes Sims gained 3 to 138p and E. Allen Balfour 2 to 59p. By way of contrast, Peglar Hattersley met with occasional selling and gave up 6 to 156p. West Bromwich Spring, a firm market of late, came back 3 to 36p, while losses of 2 were sustained by Babcock and Wilcox, 114p, and Brooke Tool, 24p. Among Shipbuilders, Yarrow firmed 3 to 283p, but Swan Hunter were on offer at 140p, down 2.

J. Bibby continued to figure prominently in Foods, improving 5 to 225p for a rise on the week of 18 on continuing bid speculation. Robertson Foods, another takeover favourite, were briskly traded up to 142p before closing another 5 higher at 139p. Bluebird Confectionery revived with a rise of 4 to 145p, while other firm confectioners included Geo. Bassett, 2 harder at 141p, and Rowntree Mackintosh, 5 better at 380p. Morgan Edwards, however, eased 2 more to 23p on further consideration of the first-half loss. Other dull counters included Bejam, 3 off at 64p, and J. B. Eastwood, 5 cheaper at 89p.

Trust Houses Forte, still reflecting recent trading news, closed 2 harder at 198p for a rise on the week of 24.

### Ofrex erratic

Secondary stocks provided the main focal points in miscellaneous industrials. Rumours of a bid from Vickers caused an early flurry in Ofrex which quickly touched a 1977-78 high of 120p before slipping back to 111p on Vickers' denial then rising again to finish the day 6 up on balance at 116p. Marshall's Universal were also sought on bid hopes and were standing 12 better at 158p, after 162p, when dealings in the shares were suspended at the company's request pending an announcement which arrived later stating that an approach had been made. West of England Trust, which owns over 26 per cent. of MU's equity, jumped 7½ to 46p in sympathy. Vinten, a recent speculative favourite, moved forward 5 to 83p, while Davies and Newman added a like amount to 126p. Drake and Scull rose 3 to 25p ahead of next Tuesday's results and Caplan Profile, at 78p, recorded a Press-inspired improvement of 2. Wilkinson Match, on the other hand, relinquished 7 to 183p following comment on its revised terms for True Temper, a subsidiary of Allegheney. The leaders drifted lower on lack of fresh support. Reed International were again a casualty; after improving to 106p at the outset, the shares came under further pressure and slipped to touch a 1977-78 low of 100p before closing 2 off at 102p for a fall on the week of 21 and one of 128 from its 1977-78 high; sentiment in the later stages was not helped by the Price Commission's decision to investigate price increases by IPC magaiznes.

Commercial Vehicles contributed a firm feature in ERF which moved up 12 to 180p for a two-day gain of 23 on persistent speculative interest. Components, however, had a couple of dull spots in Lucas Industries, 7 easier at 259p, and Turner Manufacturing, 8 cheaper at 111p. Still reflecting reports of buoyant trading in January, Garages extended the previous day's rises and closed firmly with the help of some new-time demand. British Car Auction hardened 2 to 44½p following Press comment, while similar rises were seen in Dorada, 73p, and Glanfield Lawrence, 35p. Small buying in a thin market left Charles Hurst 8 to the good at 88p, while Appleyard, 83p, and Western Motor, 78p, put on 3 apiece.

Profit-taking after the recent speculative rise left Associated Book Publishers 10 lower at 180p. Daily Mail A, however, gained 11 to 320p and Thomson firmed 8 to 634p.

Although activity was at a low ebb, Properties maintained the previous day's firmer trend. Land Securities edged up a penny further to 219p in the leaders while, in secondary issues, Glanfield Securities gained 7 to 270p in a limited market. Buyers continued to show interest in Stock Conversion which put on 4 further to 248p, but Berkeley Hambro closed only a penny dearer at 98p, after 100p. Haslemere firmed 5 to 238p and Land Investors ended a like amount dearer at 129p. Interest revived in Clarke Nickolls, 2 better at 90p, after the recent bout of profit-taking, while similar improvements were recorded in Peachey, 74p, and Evans of Leeds, 84p.

### Oils quietly dull

Lack of follow-through support after the previous day's bout of buying activity made for quietly dull conditions in the Oil leaders. British Petroleum shaded a few pence to 786p along with Shell at 506p. Among the more speculative issues, Oil Exploration improved afresh to 226p before easing back on scattered offerings to 220p for a loss of 4 on the day. Siebens (U.K.) also encountered selling and gave up 6 to 270p. Overseas stocks were featured by a rise of 12 to 110p in Weeks Natural Resources on Australian advices.

Press comment directed fresh attention to S. and W. Berisford which rose 3 to 222p for a two-day gain of 11. Marra Developments were active and 3½ better at 5½p, after 6p, on speculative demand aroused by recently higher Australian advices. Also better were Gill and Duffus 6 higher at 220p and Harrisons and Crosfields 12 to the good at 362p.

Camellia Investments were dull at 210p, down 15p, on light profit-taking in otherwise little-changed Investment Trusts.

Interest in Shippings was centred on Furness Withy which ran into end-account selling and eased to 311p before closing a net 4 lower at 314p.

Textiles were noteworthy for firmness in the Italian-based Snia Viscosa, the Ordinary rising 5½ to 51p and the Privileged 2 to 30½p, both on Continental support.

The Tobacco majors attracted another good two-way business, but closed little changed.

Ruo Estates continued rising to 160p, up 10, for a two-day gain of 30 on the record results. Other firm Teas included Assam Frontier, 15 better at 305p, and Moran, 20 higher at 410p.

### Steady Golds

Mining markets ended the week quietly with a firm undertone among South African Golds. Modest gains showed throughout the list, prompted in part by late interest from the U.S. The Gold Mines Index was 2.6 higher at 146.0, but here was a net fall on the week of 5.6.

Prices moved with the higher bullion price which closed up $2 at $175.125 an ounce. Among the heavily priced issues F. S. Geduld were ⅜ firmer at £13¼, while Buffelsfontein gained 19 to 819p and Hartebeest moved up ¼ to £10¼.

The stronger bullion price helped Consolidated Gold Fields to harden 5 to 187p, but movements among other London financials were slight in subdued trading. Selection Trust firmed 2 to 384p, but Rio Tinto-Zinc were unchanged at 171p and Charter eased 1 to 125p.

Option business continued in Platinums, but small profit-taking caused the price of the stocks to ease 1 to 54p in the case of Lydenburg and 83p in Rustenburg.

Among other South African issues, De Beers 40 per cent. preference which is rarely traded, responded to Continental buying and gained 25 to 950p. Consolidated Murchison met small selling from the Cape and closed 5 lower at 240p.

Australians were very subdued, but Coals were firm. Utah Mining were 5 higher at 255p after Utah Development's record profits and Oakbridge gained 5 to 141p in front of next week's half yearly figures. Pacific Copper rose 2 to 36p on future coal prospects.

Uraniums were relieved that the trade union ban on fresh exports appeared equivocal. This helped Peko-Wallsend to move up 11 to 435p. Pancontinental were unchanged at 825p.

Among the Base Metal miners, whose prices were mixed in Sydney overnight, Mount Lyell remained at 19p, unaffected by figures of their predictable loss.

## FINANCIAL TIMES STOCK INDICES

| — | Feb. 10 | Feb. 9 | Feb. 8 | Feb. 7 | Feb. 6 | Feb. 5 | A year ago |
|---|---|---|---|---|---|---|---|
| Government Secs. | 75.40 | 75.34 | 74.41 | 74.05 | 74.05 | 74.83 | 65.90 |
| Fixed Interest | 78.16 | 77.96 | 77.81 | 78.03 | 78.02 | 78.72 | 65.37 |
| Industrial Ordinary | 471.0 | 473.3 | 468.4 | 465.7 | 468.1 | 468.7 | 381.5 |
| Gold Mines | 146.0 | 143.4 | 146.0 | 151.6 | 151.6 | 151.6 | 100.1 |
| Ord. Div. Yield | 5.70 | 5.67 | 5.72 | 5.76 | 5.83 | 5.84 | 6.02 |
| Earnings Y'ld%(full)(*) | 17.37 | 17.28 | 17.45 | 17.56 | 17.78 | 17.78 | 19.23 |
| P/E Ratio (net) (*†) | 8.13 | 8.17 | 8.09 | 8.07 | 7.97 | 7.97 | 7.49 |
| Dealings marked | 6,143 | 5,926 | 5,271 | 5,552 | 6,411 | 6,361 | 7,253 |
| Equity turnover £m. | — | 85.76 | 64.10 | 66.38 | 62.29 | 67.12 | 83.87 |
| Equity bargains total | — | 16,844 | 14,153 | 14,590 | 13,734 | 12,350 | 17,812 |

10 a.m. 473.9. 11 a.m. 473.1. Noon 472.1. 1 p.m. 471.4.
2 p.m. 470.6. 3 p.m. 470.3.
Latest Index 01-246 8026.
* Based on 52 per cent. corporation tax. † Nil=8.08.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

### HIGHS AND LOWS

| — | 1977/78 High | 1977/78 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|
| Govt. Secs. | 79.86 (30/9) | 60.46 (4/1) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 81.27 (9/1/78) | 60.49 (4/1) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 549.2 (14/9) | 357.6 (12/1) | 549.2 (14/9/77) | 49.4 (26/6/40) |
| Gold Mines | 174.5 (18/10) | 95.1 (1/2) | 442.3 (22/5/75) | 43.5 (26/10/71) |

### S.E. ACTIVITY

| | Feb. 10 | Feb. 9 |
|---|---|---|
| —Daily | | |
| Gilt-Edged | 202.8 | 203.1 |
| Industries | 210.5 | 193.9 |
| Speculative | 33.9 | 38.1 |
| Totals | 139.8 | 134.94 |
| 5-day Av'rage | | |
| Gilt-Edged | 221.0 | 226.1 |
| Industrials | 191.5 | 191.4 |
| Speculative | 35.5 | 38.6 |
| Total | 133.4 | 134.4 |

## NEW HIGHS AND LOWS FOR 1977/78

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1977-78.

### NEW HIGHS (33)

BEERS (2)
Belhaven Brew. Border Brews.
BUILDINGS (3)
Manders Warrington (T.)
Vibroplant
DRAPERY & STORES (1)
Upton (E.) A
ENGINEERING (2)
Brown (John) Camford
HOTELS (1)
Stakis (Reo)
INDUSTRIALS (9)
Burco Dean Marshall's Universal
Bury Masco Ofrex
Centreway Viners
Hallam Sleigh Watshams
Lindsay Williams
MOTORS (2)
E.R.F. Western Motor
PAPERS (1)
Ferry Pickering
TRUSTS (7)
Channel Islands Inc. West Coast & Texas
Lancs. & Lond. Inv. Lamont
M&G 2nd Dual Inc. West of England
N.Y. & Gartmore
OILS (2)
Weeks Nat. Weeks Nat. Pfd.
RUBBERS (2)
Bradwall Grand Central
MINES (1)
Jantar

### NEW LOWS (2)

FOODS (1)
Morgan Edwards
INDUSTRIALS (1)
Reed Internatl.

# ACTIVE STOCKS

## YESTERDAY—

| Stock | Denomination | No. of marks | Closing price (p) | Change on day | 1977-78 high | 1977-78 low |
|---|---|---|---|---|---|---|
| Reed Intl. | £1 | 18 | 102 | −2 | 233 | 100 |
| Shell Transport | 25p | 13 | 506 | −2 | 635 | 454 |
| Ofrex | 20p | 12 | 116 | +6 | 120 | 59 |
| GUS A | 25p | 11 | 276 | −4 | 347 | 176 |
| BAT Inds. | 25p | 10 | 298 | +3 | 308 | 235 |
| ICI | £1 | 10 | 354 | −2 | 446 | 325 |
| Unilever | 25p | 10 | 504 | −6 | 596 | 410 |
| Burmah Oil | £1 | 9 | 54 | −1 | 83 | 41 |
| Lonrho | 25p | 9 | 75 | −1 | 86 | 62 |
| Assam Frontier | £1 | 8 | 305 | +15 | 420 | 150 |
| Commercial Union | 25p | 8 | 140 | −2 | 170 | 102 |
| GEC | 25p | 8 | 264 | +1 | 284 | 163 |
| P & O Defd. | £1 | 8 | 111 | +2 | 175 | 104 |
| Brit. Leyland | 50p | 7 | 25 | −1 | 28 | 17 |
| Midland Bk. 'New' | Nil/pd. | 7 | 14pm | −1 | 17pm | 11pm |

*The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e) and reproduced to-day in Stock Exchange dealings.*

## ON THE WEEK—

| Stock | Denomination | No. of marks | Closing price (p) | Change on week | 1977-78 high | 1977-78 low |
|---|---|---|---|---|---|---|
| ICI | £1 | 71 | 354 | +15 | 446 | 325 |
| Reed Intl. | £1 | 69 | 102 | −21 | 233 | 100 |
| BP | £1 | 65 | 786 | +26 | 966 | 760 |
| Shell Transport | 25p | 65 | 506 | +22 | 635 | 434 |
| BATs Defd. | 25p | 61 | 240 | +13 | 260 | 202 |
| GEC | 25p | 50 | 264 | +13 | 284 | 163 |
| Midland Bk. 'New' | Nil/pd. | 9 | 14pm | +3 | 17pm | 11pm |
| Grand Met. | 50p | 48 | 99 | +4 | 109 | 62 |
| Rank Org. | 25p | 46 | 255 | +17 | 276 | 128 |
| Thorn Elect. | 25p | 45 | 368 | +16 | 448 | 196 |
| P & O Defd. | £1 | 44 | 111 | +4 | 175 | 104 |
| GUS A | 25p | 43 | 276 | +2 | 347 | 176 |
| Imperial Group | 25p | 43 | 79 | +4 | 86 | 64 |
| Unilever | 25p | 43 | 504 | — | 596 | 410 |
| Beecham | 25p | 42 | 635 | +17 | 693 | 372 |

## BASE LENDING RATES

| | | | |
|---|---|---|---|
| A.B.N. Bank | 6½% | ■ Hill Samuel | § 6½% |
| Allied Irish Banks Ltd. | 6½% | C. Hoare & Co. | † 6½% |
| American Express Bk. | 6½% | Julian S. Hodge | 7½% |
| Amro Bank | 6½% | Hongkong & Shanghai | 6½% |
| A P Bank Ltd. | 6½% | Industrial Bk. of Scot. | 6½% |
| Henry Ansbacher | 6½% | Keyser Ullmann | 6½% |
| Banco de Bilbao | 6½% | Knowsley & Co. Ltd. | 9 % |
| Bank of Credit & Cmce. | 6½% | Lloyds Bank | 6½% |
| Bank of Cyprus | 6½% | London & European | 8½% |
| Bank of N.S.W. | 6½% | London Mercantile | 6½% |
| Banque Belge Ltd. | 6½% | Midland Bank | 6½% |
| Banque du Rhone | 7 % | ■ Samuel Montagu | 6½% |
| Barclays Bank | 6½% | ■ Morgan Grenfell | 6½% |
| Barnett Christie Ltd. | 8½% | National Westminster | 6½% |
| Bremar Holdings Ltd. | 7½% | Norwich General Trust | 6½% |
| Brit. Bank of Mid. East | 6½% | P. S. Refson & Co. | 6½% |
| ■ Brown Shipley | 6½% | Rossminster Accept'cs | 6½% |
| Canada Permanent AFI | 6½% | Royal Bk. Canada Trust | 6½% |
| Capitol C & C Fin. Ltd. | 9 % | Schlesinger Limited | 6½% |
| Cayzer Ltd. | 7 % | E. S. Schwab | 8½% |
| Cedar Holdings | 8 % | Security Trust Co. Ltd. | 7½% |
| ■ Charterhouse Japhet | 6½% | Shenley Trust | 9½% |
| C. E. Coates | 7½% | Standard Chartered | 6½% |
| Consolidated Credits | 6½% | Trade Dev. Bank | 6½% |
| Co-operative Bank | * 6½% | Trustee Savings Bank | 6½% |
| Corinthian Securities | 6½% | Twentieth Century Bk. | 7½% |
| Credit Lyonnais | 6½% | United Bank of Kuwait | 6½% |
| The Cyprus Popular Bk. | 6½% | Whiteaway Laidlaw | 7 % |
| Duncan Lawrie | ¶ 6½% | Williams & Glyn's | 6½% |
| Eagil Trust | 6½% | Yorkshire Bank | 6½% |
| English Transcont. | 8 % | | |
| First London Secs. | 6½% | | |
| First Nat. Fin. Corpn. | 8½% | | |
| First Nat. Secs. Ltd. | 8 % | | |
| ■ Antony Gibbs | 6½% | | |
| Greyhound Guaranty | 6½% | | |
| Grindlays Bank | ‡ 6½% | | |
| ■ Guinness Mahon | 6½% | | |
| ■ Hambros Bank | 6½% | | |

■ Members of the Accepting Houses Committee.
* 7-day deposits 3½%, 1-month deposits 3½%.
† 7-day deposits on sums of £10,000 and under 3½%, up to £25,000 3¾% and over £25,000 4¼%.
‡ Call deposits over £1,000 3½%.
§ Demand deposits 4%.
¶ Rate also applies to Sterling Ind. Secs.

# OPTIONS TRADED

**DEALING DATES**

| First Dealings | Last Dealings | Last Declaration | For Settlement |
|---|---|---|---|
| Feb. 7 | Feb. 20 | May 11 | May 23 |
| Feb. 21 | Mar. 6 | May 25 | Jun. 7 |
| Mar. 7 | Mar. 20 | Jun. 8 | Jun. 21 |

*For rate indications see end of Share Information Service*

Stocks favoured for the call included Premier Consolidated Oil, Town and City Properties, British Dredging, Consolidated Gold Fields, Fitch Lovell, ICI, Reed International, Carrington Viyella, BSG International, Ultramar, Peachey Property, M. P. Kent, Lydenburg Platinum, Grand Central Investment, Burmah Oil, Lonrho, Duple International, Charterhall, UDT, Britannia Arrow, Westward TV, Barratt Developments, BP, Allied Colloids, Kwik-Fit and Marievale. Doubles were arranged in English Property, Reed International, Orme Developments and Britannia Arrow.

# RISES AND FALLS

| | Yesterday Up | Yesterday Down | Yesterday Same | On the week Up | On the week Down | On the week Same |
|---|---|---|---|---|---|---|
| British Funds | 30 | — | 43 | 161 | 81 | 125 |
| Corpns. Dominion and Foreign Bonds | 23 | 4 | 39 | 79 | 94 | 157 |
| Industrials | 314 | 311 | 965 | 1,915 | 1,735 | 4,212 |
| Financial and Property | 173 | 75 | 268 | 755 | 547 | 1,300 |
| Oils | 5 | 11 | 16 | 45 | 36 | 78 |
| Plantations | 11 | 2 | 22 | 54 | 13 | 123 |
| Mines | 45 | 13 | 65 | 125 | 178 | 317 |
| Recent Issues | 7 | 3 | 29 | 73 | 28 | 149 |
| Totals | 613 | 419 | 1,426 | 3,156 | 2,710 | 6,456 |

# RECENT ISSUES

## EQUITIES

| Issue Price p | Amount Paid up | Latest Renunc. Date | 1977/8 High | 1977/8 Low | Stock | Closing Price p | + or − | Net Div. | Times Covered | Gross Yield | P/E Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| — | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## FIXED INTEREST STOCKS

| Issue Price £ | Amount Paid up | Latest Renunc. Date | 1977/8 High | 1977/8 Low | Stock | Closing Price £ | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## "RIGHTS" OFFERS

| Issue Price p | Amount Paid up | Latest Renunc. Date | 1977/8 High | 1977/8 Low | Stock | Closing Price p | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

[illegible]

# FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

| | EQUITY GROUPS and SUB-SECTIONS (Figures in parentheses show number of stocks per section) | Fri., Feb. 10, 1978 | Thur. Feb. 9 | Wed. Feb. 8 | Tues. Feb. 7 | Mon. Feb. 6 | Year ago (approx.) | Highs and Lows Index 1977-78 High | 1977-78 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (170) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 2 | Building Materials (27) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 | Contracting, Construction (28) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 4 | Electricals (15) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 5 | Engineering Contractors (13) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 6 | Mechanical Engineering (72) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 8 | Metals and Metal Forming (17) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 11 | CONSUMER GOODS (DURABLE) (53) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 12 | Lt. Electronics, Radio TV (15) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 13 | Household Goods (12) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 14 | Motors and Distributors (26) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 21 | CONSUMER GOODS (NON-DURABLE) (170) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 22 | Breweries (14) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 23 | Wines and Spirits (6) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 24 | Entertainment, Catering (17) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 25 | Food Manufacturing (22) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 26 | Food Retailing (16) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 32 | Newspapers, Publishing (13) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 33 | Packaging and Paper (15) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 34 | Stores (38) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 35 | Textiles (25) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 36 | Tobaccos (3) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 37 | Toys and Games (6) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 41 | OTHER GROUPS (97) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 42 | Chemicals (18) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 43 | Pharmaceutical Products (7) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 44 | Office Equipment (6) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 45 | Shipping (10) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 46 | Miscellaneous (54) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 49 | INDUSTRIAL GROUP (490) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 51 | Oils (4) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 59 | 500 SHARE INDEX | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 61 | FINANCIAL GROUP (100) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 62 | Banks (6) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 63 | Discount Houses (10) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 64 | Hire Purchase (5) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 65 | Insurance (Life) (10) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 66 | Insurance (Composite) (7) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 67 | Insurance Brokers (10) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 68 | Merchant Banks (14) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 69 | Property (31) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 70 | Miscellaneous (7) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 71 | Investment Trusts (50) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 81 | Mining Finance (4) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 91 | Overseas Traders (19) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 99 | ALL-SHARE INDEX (673) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### FIXED INTEREST PRICE INDICES

| | British Government | Fri. Feb. 10 | Day's change % | xd adj. To-day | xd adj. 1978 to date |
|---|---|---|---|---|---|
| 1 | Under 5 years | [illegible] | [illegible] | [illegible] | [illegible] |
| 2 | 5-15 years | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 | Over 15 years | [illegible] | [illegible] | [illegible] | [illegible] |
| 4 | Irredeemables | [illegible] | [illegible] | [illegible] | [illegible] |
| 5 | All stocks | [illegible] | [illegible] | [illegible] | [illegible] |

### FIXED INTEREST YIELDS

| | Br. Govt. Av. Gross Red. | Fri. Feb. 10 | Thurs. Feb. 9 | Year ago (approx.) | 1977-78 Highs | 1977-78 Lows |
|---|---|---|---|---|---|---|
| 1 | Low Coupons 5 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 2 | Low Coupons 15 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 | Low Coupons 25 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 4 | Medium Coupons 5 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 5 | Medium Coupons 15 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 6 | Medium Coupons 25 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 7 | High Coupons 5 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 8 | High Coupons 15 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 9 | High Coupons 25 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 10 | Irredeemables | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

| | | Fri. Feb. 10 Index No. | Yield % | Thur. Feb. 9 | Wed. Feb. 8 | Tues. Feb. 7 | Mon. Feb. 6 | Fri. Feb. 3 | Thur. Feb. 2 | Year ago (approx.) | 1977/78 Highs | 1977/78 Lows | Since Compilation Highs | Since Compilation Lows |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 15 | 20-yr. Red. Deb. & Loans (15) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 16 | Investment Trust Prefs. (15) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 17 | Coml. and Indl. Prefs. (20) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

[illegible]

# AUTHORISED UNIT TRUSTS

# OFFSHORE AND OVERSEAS FUNDS

# INSURANCE, PROPERTY, BONDS

Index Limited 01-351 3466. Three-month Copper 653½-659½
Lamont Road, London SW10 0HS.

**CLIVE INVESTMENTS LIMITED**
Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101
Index Guide as at 7th February, 1978 (Base 100 at 14.1.77.)

| | |
|---|---|
| Clive Fixed Interest Capital | 135.06 |
| Clive Fixed Interest Income | 123.17 |

**CORAL INDEX: Close 469-474**

## INSURANCE BASE RATES

| | |
|---|---|
| † Property Growth | 7½% |
| Cannon Assurance | 4½% |
| † Vanbrugh Guaranteed | 7.25% |

† Address shown under Insurance and Property Bond Table.

# FT SHARE INFORMATION SERVICE

## **BRITISH FUNDS

| 1977-78 High | Low | Stock | £ | + or – | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| | | **"Shorts" (Lives up to Five Years)** | | | | |
| 104⅝ | 97⅛ | Treasury 10½pc '78‡‡ | 102⅛ | +⅛ | 10.28 | 5.30 |
| 100⅞ | 90⅞ | Exch. 5pc '76-78‡‡ | 99⅛ | +⅛ | 5.02 | 5.81 |
| 107 | 95⅞ | Treasury 11½pc '79‡‡ | 104⅛xd | +⅛ | 11.02 | 7.24 |
| 97¼ | 84⅞ | Treasury 3pc '79‡‡ | 96⅛xd | +¼ | 3.22 | 5.32 |
| 98¾ | 85½ | Electric 4¼pc '74-79 | 97¼ | +½ | 4.37 | 6.05 |
| 106⅝ | 92 | Treasury 10½pc '79‡‡ | 103¾ | +½ | 10.17 | 8.39 |
| 97⅝ | 84⅞ | Electric 3½pc '76-79 | 95¾ | +¼ | 3.65 | 6.08 |
| 107 | 87¼ | Treasury 9pc 1980‡‡ | 101⅞xd | +⅛ | 8.83 | 7.99 |
| 105¾ | 88⅛ | Treasury 9½pc '80‡‡ | 101⅞ | +¼ | 9.32 | 8.57 |
| 96 | 82⅞ | Treasury 3½pc '77-80 | 93¾ | +½ | 3.73 | 6.45 |
| 98¼ | 83⅞ | Funding 5¼pc '78-80‡‡ | 94¾ | +½ | 5.54 | 7.75 |
| 112⅝ | 96⅝ | Exchequer 13pc 1980‡‡ | 108⅝ | +⅛ | 11.99 | 9.46 |
| 106⅝ | 92⅝ | Treasury 11½pc 1981‡‡ | 105⅛ | +⅛ | 10.94 | 9.44 |
| 94¼ | 77⅞ | Treasury 3½pc 1979-81 | 90¾xd | +½ | 3.86 | 6.95 |
| 104 | 86⅞ | Treasury 9¾pc 1981‡‡ | 100⅞ | –⅛ | 9.68 | 9.48 |
| 97⅛ | 95¼ | Exch. 8¼pc 1981 | 96½ | +⅛ | 8.55 | 9.49 |
| 103½ | 97½ | Exch. 9½pc 1981 | 100⅜ | +⅛ | 9.46 | 9.35 |
| 92⅛ | 67½ | Exch. 3pc 1981 | 87¾xd | +⅛ | 3.42 | 6.99 |
| 98¾ | 96½ | Treas. Variable '81‡‡ | 96½ | .... | 6.66 | 7.50 |
| 113⅞ | 96¼ | Exch. 12¾pc 1981‡‡ | 109 | +⅛ | 11.70 | 9.81 |
| 100⅞ | 82⅞ | Treas. 8½pc '80-82‡‡ | 96⅞ | +⅛ | 8.77 | 9.46 |
| 93½ | 71⅝ | Treasury 3pc '82‡‡ | 85¾xd | +½ | 3.50 | 7.15 |
| 119⅞ | 101⅞ | Treasury 14pc '82‡‡ | 113⅞xd | +⅛ | 12.34 | 9.93 |
| 98½ | 95¾ | Treas. Variable '82‡‡ | 96 | | 6.70 | 7.52 |
| 98⅞ | 93⅞ | Treasury 8¼pc '82 | 95⅝ | +⅛ | 8.63 | 9.49 |
| 102⅞ | 93⅞ | Exch. 9¼pc 1982 | 98⅞ | +⅛ | 9.41 | 9.70 |
| | | **Five to Fifteen Years** | | | | |
| 87½ | 81 | Exch. 3pc '83 | 82¾xd | +¼ | 3.64 | 7.23 |
| 114¼ | 95½ | Treasury 12pc 1983‡‡ | 107½xd | +½ | 11.08 | 9.90 |
| 101⅞ | 95¾ | Treasury 9½pc '83 | 98 | +½ | 9.50 | 9.90 |
| 95½ | 72⅛ | Funding 5½pc '82-84‡‡ | 87½ | | 6.34 | 8.39 |
| 100¼ | 77⅞ | Treasury 8½pc '84-86‡‡ | 94⅝ | ..... | 9.06 | 9.59 |
| 87½ | 65¾ | Funding 6½pc '85-87‡‡ | 85¼ | ..... | 7.79 | 9.21 |
| 94 | 68⅞ | Treasury 7¾pc '85-88‡‡ | 86¾ | .... | 8.97 | 9.94 |
| 74⅞ | 49½ | Transport 3pc '78-88 | 65½ | ...... | 4.63 | 8.08 |
| 76¼ | 55⅞ | Treasury 5pc '86-89 | 71⅛ | ... | 7.17 | 9.30 |
| 121¼ | 90 | Treasury 13pc 1990‡‡ | 111¼ | .... | 11.79 | 11.40 |
| 94¼ | 67½ | Treasury 8¼pc '87-90‡‡ | 86½ | +½ | 9.73 | 10.47 |
| 112 | 98¼ | Treasury 11¾pc 1991 | 102⅛ | | 11.60 | 11.55 |
| 76½ | 53¾ | Funding 5¾pc '87-91‡‡ | 71⅞ | +½ | 8.30 | 9.99 |
| 118 | 86¾ | Treasury 12¾pc '92‡‡ | 108¼ | | 11.86 | 11.65 |
| 96⅛ | 83¼ | Treasury 10pc 1992 | 90¾xd | | 11.04 | 11.36 |
| 113 | 89½ | Exch. 12¼pc '92 | 103⅝xd | ... | 11.78 | 11.68 |
| | | **Over Fifteen Years** | | | | |
| 116¼ | 84½ | Treasury 12½pc '93‡‡ | 106½ | ... | 11.85 | 11.72 |
| 73⅛ | 51⅞ | Funding 6pc 1993‡‡ | 66½xd | | 9.01 | 10.36 |
| 125½ | 96 | Treasury 13¾pc 1993‡‡ | 116¼ | | 12.15 | 11.87 |
| 129¼ | 99 | Treasury 14½pc '94‡‡ | 118⅛xd | +⅛ | 12.21 | 11.86 |
| 114⅛ | 94⅞ | Exch. 12½pc 1994 | 105xd | ... | 11.87 | 11.77 |
| 96 | 66¼ | Treasury 9pc '94‡‡ | 86⅞ | .. | 10.62 | 11.01 |
| 110¼ | 97⅞ | Treasury 12pc '95 | 103 | .... | 11.72 | 11.67 |
| 51⅞ | 32⅞ | Gas 3pc '90-95 | 49⅝ | ..... | 6.15 | 6.85 |
| 30 | 24½ | Exch. 10¼pc '95 (£30pd) | 26⅞ | ... | 11.25 | 11.44 |
| 120⅞ | 87 | Treasury 12¾pc '95‡‡ | 110¼ | .... | 11.90 | 11.77 |
| 92⅞ | 66¾ | Treasury 9pc '92-96‡‡ | 83¾xd | .... | 10.72 | 11.07 |
| 133¼ | 101½ | Treasury 15¼pc '96‡‡ | 127⅝ | ... | 12.36 | 12.05 |
| 124 | 89⅞ | Exchequer 13¼pc '96‡‡ | 113⅞ | .... | 11.93 | 11.81 |
| 50 | 27¼ | Redemption 3pc 1986-96 | 48⅞ | ...... | 6.35 | 8.81 |
| 122½ | 87⅛ | Treasury 13¼pc '97‡‡ | 111½ | ... | 11.97 | 11.82 |
| 98⅞ | 90½ | Exchequer 10½pc 1997 | 92⅝xd | .... | 11.34 | 11.47 |
| 87⅞ | 64⅞ | Treasury 8¾pc 1997‡‡ | 80⅞xd | . | 10.77 | 11.12 |
| 72¼ | 50¼ | Treasury 6¾pc '95-98‡‡ | 66¾ | ... | 10.10 | 10.82 |
| 136½ | 103⅞ | Treas. 15½pc '98‡‡ | 131⅞ | ... | 12.29 | 12.04 |
| 97 | 65⅞ | Treasury 9½pc 1999‡‡ | 87⅛ | .. | 10.97 | 11.16 |
| 106¼ | 90⅞ | Treasury 10½pc 1999 | 92⅞ | . | 11.40 | 11.50 |
| 44¾ | 27⅞ | Funding 3½pc '99-04 | 40⅝ | ... | 8.73 | 9.97 |
| 82¼ | 57½ | Treasury 8pc '02-06‡‡ | 77⅛ | | 10.74 | 10.92 |
| 59 | 40½ | Treasury 5½pc '08-12‡‡ | 52⅝xd | | 10.38 | 10.65 |
| 80½ | 55¼ | Treasury 7¾pc '12-15‡‡ | 72⅞ | .. | 10.69 | 10.77 |
| | | **Undated** | | | | |
| 38⅞ | 26⅛ | Consols 4pc | 35½ | .... | 11.31 | — |
| 38½ | 25⅛ | War Loan 3½pc‡‡ | 36⅞ | . | 9.81 | — |
| 39¼ | 26¼ | Conv. 3½pc '61 Aft. | 38¼ | .. | 9.47 | — |
| 29⅝ | 20½ | Treasury 3pc '66 Aft. | 27½ | .. | 11.52 | — |
| 24⅛ | 17¼ | Consols 2½pc | 22¾ | .... | 11.12 | — |
| 24 | 17⅛ | Treasury 2½pc | 22⅝ | . | 11.52 | — |

## **INTERNATIONAL BANK

| 1977-78 High | Low | Stock | £ | + or – | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| 88¼ | 75½ | 5pc Stock '77-82 | 87xd | +½ | 5.75 | 8.52 |

## **CORPORATION LOANS

[illegible]

## COMMONWEALTH & AFRICAN LOANS

[illegible]

## LOANS

### Public Board and Ind.

[illegible]

### Financial

[illegible]

## FOREIGN BONDS & RAILS

[illegible]

U.S. $ & DM prices exclude inv. $ premium

## AMERICANS

[illegible]

## AMERICANS—Continued

[illegible]

S.E. List Premium 32¼% (based on $US1.9550 per £)

Conversion factor 0.7568 (0.7556)

## CANADIANS

[illegible]

S.E. List Premium 32¼% (based on $2.1491 per £)

## BANKS AND HIRE PURCHASE

[illegible]

### Hire Purchase, etc.

[illegible]

## BEERS, WINES AND SPIRITS

[illegible]

## BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

## BUILDING INDUSTRY—Cont.

[illegible]

## CHEMICALS, PLASTICS

[illegible]

## CINEMAS, THEATRES AND TV

[illegible]

## DRAPERY AND STORES

[illegible]

## DRAPERY AND STORES—Cont.

[illegible]

## ELECTRICAL AND RADIO

[illegible]

## ENGINEERING MACHINE TOOLS

[illegible]

## ENGINEERING—Continued

[illegible]

## FOOD, GROCERIES, ETC.

[illegible]

## HOTELS AND CATERERS

[illegible]

## HOTELS—Continued

[illegible]

## INDUSTRIALS (Miscel.)

[illegible]

## INDUSTRIALS—Continued

[illegible]

## INSURANCE

[illegible]

## INSURANCE—Continued

[illegible]

## MOTORS, AIRCRAFT TRADES

### Motors and Cycles

[illegible]

### Commercial Vehicles

[illegible]

### Components

[illegible]

### Garages and Distributors

[illegible]

## NEWSPAPERS, PUBLISHERS

[illegible]

## PAPER, PRINTING ADVERTISING

[illegible]

## PROPERTY

[illegible]

## PROPERTY—Continued

[illegible]

## SHIPBUILDERS, REPAIRERS

[illegible]

## SHIPPING

[illegible]

## SHOES AND LEATHER

[illegible]

## SOUTH AFRICANS

[illegible]

## TEXTILES

[illegible]

## TOBACCOS

[illegible]

## TRUSTS, FINANCE, LAND

### Investment Trusts

[illegible]

## INV. TRUSTS—Continued

[illegible]

### Finance, Land, etc.

[illegible]

## FINANCE, LAND—Continued

[illegible]

## OILS

[illegible]

## OVERSEAS TRADERS

[illegible]

## RUBBERS AND SISALS

[illegible]

## TEAS

### India and Bangladesh

[illegible]

### Sri Lanka

[illegible]

### Africa

[illegible]

## MINES

### CENTRAL RAND

[illegible]

### EASTERN RAND

[illegible]

### FAR WEST RAND

[illegible]

### O.F.S.

[illegible]

### FINANCE

[illegible]

### DIAMOND AND PLATINUM

[illegible]



## MINES—Continued

### CENTRAL AFRICAN

[illegible]

### AUSTRALIAN

[illegible]

### TINS

[illegible]

### COPPER

[illegible]

### MISCELLANEOUS

| 1977-78 High | Low | Stock | Price | + or – | Div. Net | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 9½ | 9 | Burma Mines 17½p | 9 | ...... | — | — | — |
| 115 | 58 | Colby Mines $1 | 80 | +1 | — | — | — |
| 600 | 225 | Cons. Murch 10c | 240 | –5 | Q30c | ϕ | ‡ |
| 475 | 250 | Northgate C$1 | 250 | ...... | — | — | — |
| 247 | 169 | R.T.Z. | 171 | ...... | t8.5 | q3.1 | 7.5 |
| 70 | 28½ | Sabina Inds. C$1 | 34 | ...... | — | — | — |
| £14¼ | 800 | Tara Exptn. $1 | 920 | +2 | — | — | — |
| 55 | 39 | Tehidy Minerals 10p | 45 | ...... | 1.21 | 2.5 | 4.1 |
| 160 | 121 | Yukon Cons. C$1 | 125 | ...... | Q7c | ϕ | 3.3 |

## NOTES

**Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.**

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress
- ÷ Not comparable
- ♠ Same interim: reduced final and/or reduced earnings indicated
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Cover and P/E ratio exclude profits of U.K. aerospace subsidiaries. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1973. N Dividend and yield based on prospectus or other official estimates for 1976. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 20

**This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security**

## REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

| | | | | | |
|---|---|---|---|---|---|
| Albany Inv. 20p | 23 | ...... | Sheff. Refrshmt. | 51 | ...... |
| Ash Spinning | 42 | ...... | Shiloh Spinn. | 19 | ...... |
| Bertam | 16 | –1 | Sindall (Wm.) | 85 | ...... |
| Bdgwtr. Est. 50p | 262 | +2 | | | |
| Clover Croft | 22 | ...... | **IRISH** | | |
| Craig & Rose £1 | 400 | ...... | | | |
| Dyson (R. A.) | 37 | ...... | Conv. 9% '80/82 | £96¼ | ...... |
| Ellis & McHdy. | 68 | ...... | Alliance Gas | 70 | ...... |
| Evans Frk. 10p | 58xd | ...... | Arnott | 315 | ...... |
| Evered | 27 | ...... | Carroll (P.J.) | 105 | ...... |
| Fife Forge | 47 | ...... | Clondalkin | 80 | ...... |
| Finlay Pkg. 5p | 21 | ...... | Concrete Prods. | 125 | ...... |
| Grain Ship. £1 | 240 | ...... | Heiton (Hldgs.) | 55 | ...... |
| Higsons Brew. | 63 | ...... | Ins. Corp. | 163 | ...... |
| I. o. M. Stm. £1 | 245xd | +6 | Irish Ropes | 130 | ...... |
| Holt (Jos.) 25p | 245 | ...... | Jacob | 60 | ...... |
| Nthn. Goldsmith | 68 | ...... | Sunbeam | 30 | ...... |
| Pearce (C. H.) | 130 | ...... | T.M.G. | 174 | ...... |
| Peel Mills | 17 | ...... | Unidare | 70 | ...... |
| Sheffield Brick | 47 | ...... | | | |

## OPTIONS
### 3-month Call Rates

| | | | | | |
|---|---|---|---|---|---|
| **Industrials** | | I.C.I. | 23 | Tube Invest. | 30 |
| A. Brew | 6½ | "Imps" | 7 | Unilever | 40 |
| A.P. Cement | 18 | I.C.L. | 20 | Utd. Drapery | 7½ |
| B.S.R. | 9 | Inveresk | 7 | Vickers | 15 |
| Babcock | 10 | KCA | 5 | Woolworths | 6 |
| Barclays Bank | 25 | Ladbroke | 17 | | |
| Beecham | 33 | Legal & Gen. | 14 | **Property** | |
| Boots Drug | 15 | Lex Service | 7 | Brit. Land | 3¼ |
| Bowaters | 16 | Lloyds Bank | 22 | Cap. Counties | 5 |
| B.A.T. | 24 | "Lofs" | 5 | E.F. | 5 |
| British Oxygen | 6 | London Brick | 5 | Intereuropean | 4 |

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Saturday February 11 1978



MAN OF THE WEEK

# A list of some concern

BY ELINOR GOODMAN

MR PETER LEWIS chairman of the John Lewis Group, is not the kind of man you would expect to find in the middle of a political storm. Nor would first impressions indicate that he is the kind of man who would be in charge of an organisation in which the chairman is answerable — quite literally answerable in the case of letters to the weekly *Gazette* — to all its employees, or partners as they are more accurately known in the language of John Lewis.

A quiet, reserved, man who does not get much involved in the retail lobby, Mr. Lewis tends to shun publicity. He seems almost embarrassed at the way in which the group's inclusion on the Government's blacklist of employers who have broken the pay guidelines has hit the headlines. *He would endorse whole*heartedly, however, the principle behind the outcry. It is quite wrong, in his view, that a company should be put on a blacklist without its knowledge and without apparently having broken any law.

Lewis: reluctant fame.

The idea that Government officials should dictate who shall do business with whom is something which worries him. He regards it as a constitutional development of considerable importance and one that should not go unchallenged.

In some ways Mr. Lewis's personality is a reflection of the Partnership which was made over to the staff almost 50 years ago by his uncle, John Spedan Lewis, and now has sales of £437m. through 74 department stores and 64 supermarkets. By comparison with its competitors, John Lewis keeps a low profile, and the emphasis is on communicating with the public through the staff—who are kept informed by a network of staff councils as well as the weekly magazines—rather than through the Press. The famous "never knowingly undersold" claim may sound like puffery in to-day's consumer-conscious society, but it does convey something about the Partnership's values.

The Partnership prides itself on its principles — all enshrined in the constitution of which Mr. Lewis is guardian. Among these basic tenets are honesty, fairness and accountability.

The latter has led some executives to leave the Partnership because they regarded the public soul-searching it entailed as a distraction to trading but to Mr. Lewis, the principles are vital. This concern with principles may help him explain his stance on the blacklist as secrecy runs right against the Partnership's grain.

Once an "interested partner" had written to the Gazette in November saying that be had heard that the Partnership might be on a Government blacklist, it was inevitable that any further developments would be aired in the Gazette. The correspondence was dealt with by the Personnel Director but it was Mr. Lewis who was ultimately responsible for the decision to take legal advice. In last week's Gazette he added a postscript to the Personnel Director's report, explaining his own concern about the constitutional implications of the blacklist.

Given the Partnership's pride in its democratic structure, anyone is entitled to ask how the Eton and Christchurch educated nephew of the founder came to be chairman. The question was asked in 1969, when his appointment was announced, by a partner who signed himself "Under the Counter." He told Sir Bernard Miller who, as the then chairman had the job of nominating his successor, that Mr. Lewis was simply the best qualified applicant.

The correspondence burned itself out after seven letters, possibly because Mr. Lewis had already proved himself as a very *able director of trading—a job* he got eight years after he first joined the Partnership in the stationery department.

Moreover, even if the chairman is nominated by his predecessor, the partners have the power to sack him. That is part of the constitution which makes John Lewis unique.

# Zaire calls in IMF to aid its economy

BY DAVID BUCHAN

BRUSSELS, Feb. 10.

ZAIRE has agreed to put its economic management and central bank under a measure of outside control, after week-long talks involving President Mobutu Sese Seko, Zairean Ministers and the Belgian Government, officials said here to-day.

President Mobutu, who was accompanied by his Foreign Minister, Mr Umba Di Letete, and his central bank governor, Mr. Bofassa, agreed to ask for *an International* Monetary Fund official to take the number two post in the Kinshasa Central Bank.

This is seen here as substantial progress towards an international reconstruction plan for the Zairean economy. It is expected that a meeting involving Belgium, the U.S., France, *Germany*, the U.K., Saudi Arabia and Iran will take place in Brussels in April to consider increased technical and possibly financial aid to Zaire.

Belgian officials stress that *their Government's role is that* of co-ordinator. Last year, President Mobutu asked Belgian Prime Minister Mr. Leo Tinde*mans to assume the role of co*-ordinating aid given by countries friendly to Zaire and also international institutions, such as the IMF and the World Bank.

But the precondition for any aid is that Zaire reach a satisfactory settlement with the IMF for a further standby credit.

Officials here insist they are not pre-empting the IMF's job, and *that conditions for the* standby credit—a hefty devaluation of the Zairean currency has been rumoured—did not figure in this week's Brussels talks.

Belgian Government officials expect that, after the visit of another IMF team to Kinshasa at the end of this month, the IMF credit will go through.

## Technical help

At present, the main element in the "Plan Mobutu," as the reconstruction package is known here, is the provision of technical help.

So far, Belgium has supplied most to the former Belgian Congo, with Belgians already in some key posts in the railways, river transport, and air Zaire.

Bilaterial relations between the Belgian Government and its former colony are still troubled by the issue of compensation for expropriated Belgian property.

But the recent agreements have brought the Belgian private sector back into copper marketing (not mining) and shipping.

*In addition, some Belgian com*panies have taken advantage of President Mobutu's offer to give back 100 per cent. of their former holdings (with the provision that 40 per cent. must be resold to Zairean interests within five years).

Increased financial aid by Western countries to Zaire may be considered later, depending on whether they think that the *economy is being better run.* At present, Belgium gives about Belgian Frs.4bn. (£63m.) a year to Zaire in official aid.

The issue of further loans to Kinshasa will be left to the private bank creditors which have already proposed a \$200m.-250m. loan once overdue debt has been repaid.

**Mary Campbell writes:** The reaction of international bankers was little short of delight yesterday. They emphasised that many of Zaire's past problems have stemmed from inefficient allocation of foreign exchange and that the involvement of someone from the IMF at a high level within the central bank would attack the problem at its heart.

Zaire's total external long-term debt amounts to about \$2bn. Of this, about \$400m. is owed to commercial banks, and \$1.4bn. to foreign governments, (either directly or as a result of government guarantees of commercial loans.). The remaining \$200m. takes the form of credit from suppliers.

Short-term debt — due for repayment within one year — is thought to amount to about \$200m.-300m.

Of the \$400m. owed to commercial banks, at least \$130m. is overdue.

# U.S. and Israel fall out on Sinai

By Our Foreign Staff

**AN OPEN row has broken out between Washington and Jerusalem over Israel's settlements in the Arab territories occupied by Israel in the 1967 war.**

**Mr. Cyrus Vance, the U.S. Secretary of State, said yesterday that the U.S. believed that Israeli settlements in Sinai were illegal and should be removed, lest they provided an even greater "obstacle to peace" than they had already.**

**The U.S. still regarded U.N. resolution 242 as the definitive starting point for negotiations. This clearly called on Israel to withdraw from "occupied territories."**

**There was no doubt that the present Israeli settlements policy was not in the spirit of this resolution and this was an "obstacle to peace," he said.**

**Mr Moshe Dayan, the Israeli Foreign Minister who is currently in the U.S. said in a television interview on Thursday night that he disagreed with President Carter's views on the settlements policy and the future of the West Bank. He hoped Israel would not surrender the West Bank.**

**Middle East peace talks, broken off last month, will resume some time after next week, Mr. Dayan said, after meeting yesterday with Mr. Alfred Atherton, U.S. Assistant Secretary of State, who briefed him on President Carter's week-end talks with President Anwar Sadat. "I was told they would resume some time after next week and I hope they will be fruitful."**

**The question of Israeli settlements in the Sinai was not a crucial one for President Sadat. "Mr. Sadat's problem is that he cannot make a separate peace. He has to bring King Hussein (of Jordan) to the bargaining table."**

**Israeli newspapers yesterday reported that Mr. Sadat might invite Mr. Menahem Begin, Israel's Prime Minister, to Cairo for talks, and that Mr. Carter was planning a summit meeting with Mr. Sadat and Mr. Begin in Washington.**

**Mr. Sadat left his U.S. talks with renewed hope of progress towards resuming negotiations.**

**Mr. Atherton is expected to begin a shuttle shortly between Cairo and Jerusalem to piece together a mutually acceptable declaration of principles.**

**But there is much groundwork to be done. Mr. Vance said yesterday that there were no immediate plans for a Washington summit. Israel may now have to review its policies in the light of the Sadat-Carter talks and Mr. Sadat's evident public relations success in the U.S.**

**Other Mid-East news, Page 10**

THE LEX COLUMN

# The gilt-edged switchback

Three points down and three points up again—it's been one of those weeks in the gilt-edged sector, and at the end of *it all* the mood is one of queasy uncertainty. On Tuesday night, the market was utterly despondent. Already weak, it had been confronted with a set of banking figures for January that were so much worse than anyone had predicted that a sharp rise in interest rates seemed the only alternative to a runaway trend in the monetary aggregates.

*That, as it turned out,* was overdoing the gloom. On Wednesday prices steadied, as analysts came round to the idea that the figures were just too bad to be true. Then came *the miners' decision to keep* within the Government's pay guidelines. Overseas selling of *gilts, which had reached dis*tinctly unsettling proportions, dried up instantly, and gilts took off.

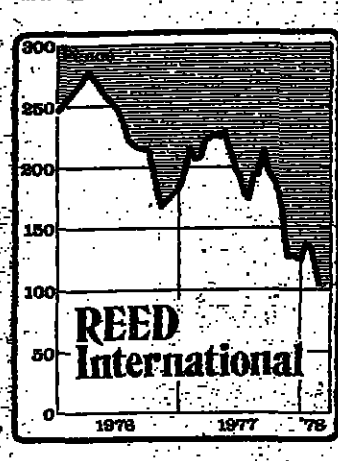
## Government broker

By Thursday the Government broker was back in business. *He found a base for the long* tap — Exchequer 10½ per cent. 1995—at £26, and did brisk business both at that level and at £26½. No wonder that the speculators were up early yesterday, scenting a reprise of last December's performance. Then, the long tap was *exhausted just three days after* its price had been shifted down to a new base, and shortly afterwards a new stock was oversubscribed before ever it became operational as a tap.

Yesterday, however, the Government broker was not playing ball. Everyone expected that, just like on Thursday, the price of the tap would be shifted up by a quarter. Instead the tap was turned on just an eighth of a point above its previous level —and that was the equivalent of a bucket of cold water for the enthusiasts.

The reason for their disappointment is the general assumption that the Government broker's somewhat aggressive stance must mean that he is keen to sell as much as he can without letting prices run away. If that was the case, it was a tactical blunder. Something like £50m. nominal of stock was sold yesterday, compared with nearer £200m. on Thursday when buyers had their head.

Index fell 2.3 to 471.0




So perhaps the market is *again jumping at shadows.* No new short tap materialised yesterday, as might have been the case if the authorities were really hungry for funds. And instead of drawing bearish conclusions from yesterday's developments, it might just be that the authorities felt strong *enough to restore a little order* to the scene after a hectic few days. They might have concluded that although December's gyrations provided much amusement and profit for the short term operators, it was hardly the most efficient way to manage the nation's finances.

*The next hurdles include the* trade figures and money supply statistics, which will appear in the coming week. The money market remains uneasy—yesterday's low level of applications at the Treasury bill tender is one indication of this—and there are some major public *sector wage negotiations still to* come. However, Government ministers are now stressing the need for a cautious Budget in April, and the inflation background remains favourable

Meanwhile the equity market is still very much the poor relation. It, too, managed a flip when the miners came in line. But for most of the week the pattern for the day has been set by the first hour's trading, and the volume of business has remained very dull.

## Reed Int.

Reed International shares bumped down to par yesterday as the most active stock before rallying a little to close at 102p. They have been falling with alarming speed of late. Si the nine-month figures released at the beginning month the shares have los per cent. of their value.

At their current level bottom of the bear mark *1974 is a pleasant memory.* shares are already discount a substantial cut in divide for the year that ends in Mar If the payout were to be halv Reed shareholders would be left with a double-fig dividend yield. The implicati is that a dividend cut is *least of the market's worries.*

*Certainly* £400m. of debt loo daunting beside a market ca italisation of £113m. And indications are that the crippl Canadian losses, which will announced around Februa 24th, will prove to be at lea as painful as Reed's mana *ment indicated at half* tim But it is possible that the m ket is now intent on painting picture of Reed that is bla blacker than reality.

Take the institutional sha *holders.* It is *not* true that are conspiring to move in "find out what's going on." by the Prudential with *3.77m.* shares, they have in touch with Reed's man ment this year. They are tainly worried about the si tion but say they are satis that Reed's management ing what it can to ext the company from its pos Indeed, given the share pr movement this week, the tutional fund managers s notably calm.

Part of the market's nerv ness in the last few days been attributed to a priva circulated report on Reed Canada prepared by bro Grieveson, Grant. The was *that Grieveson feared* worst—and this, too, was exaggeration. After visi Canada the firm's anal decided, unsurprisingly, Reed's Canadian assets wo prove very difficult to sell. conclusion was that Reed wo probably resign itself to tinuing its Canadian opera —and that it could sustain burden. Of course the share price is telling a worrying story. It takes mo than just a few bearish rumou to knock the value of a group in this way. But ther is no feeling among major tutional shareholders Reed's problems have sudde got out of hand.

# Deadlock on North Atlantic air fares

By Michael Donne, Aerospace Correspondent

OFFICIALS OF the U.K. and U.S. Governments have failed to agree on new levels of North Atlantic scheduled air fares from April 1.

After a brief meeting in London yesterday, it emerged that the views of the two sides were so far apart as to make an agreement unlikely at this stage. No date has been fixed for the talks to resume.

The basic difficulty is that the U.K. Government is becoming increasingly concerned at the proliferation of cheap scheduled fares on the North Atlantic. It sees them as threatening the economic stability of the scheduled airlines. The U.S. Government appears to want to see more such fares.

Having approved the £59 single Laker Airways' Skytrain fare and the broadly comparable Stand-By and Budget Plan fares for the scheduled airlines to enable them to compete with Skytrain, Britain does not want to see any more cheap fares.

The U.S., on the other hand, with a much bigger home *market*, is thought to feel that these cheap fares could be widened in scope — especially since two new U.S. airlines join the transatlantic route in March. Delta will then launch flights between Gatwick and Atlanta and Braniff will start flights between Gatwick and Dallas-Fort Worth.

The failure of the two most *important countries on the North* Atlantic route to agree on fare policy must cause other European Governments considerable concern over what is likely to happen this summer.

# Barnett: Don't expect too much in Budget

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A RENEWED warning against expecting too much in the April Budget came yesterday from Mr. Joel Barnett, Chief Secretary to the Treasury.

He hoped "the sound financial situation will enable us to do a little in the coming Budget," he told the Manchester Business School.

But he warned that "it would be foolish to expect too much, but it should be enough, combined with pay increases within Government guidelines, to make certain that real personal living standards should rise for everyone in the coming year.

## Restraint calls

"That in turn should set us on the road to a sustainable *increase in output and jobs.*"

This is the clearest appeal so far for caution about Budget expectations, and is in line with similar speeches earlier this week. It reflects a significant body of official advice urging restraint on the size of reflation in the Budget.

There is an intensive debate in Whitehall on the subject and several Ministers outside the Treasury believe that measures should be on a larger rather than a smaller scale in view of the high level of unemployment and improvement in the financial position. Mr. Denis Healey, the Chancellor, has not yet committed himself.

The range of stimulus under consideration is between £1½bn. and £2½bn., and caution is urged by officials concerned at the recent evidence of a slower-than-hoped growth in export volume, but buoyant consumer spending, and hence higher imports.

Mr. Barnett stressed the sounder financial base now.

He said that single-figure price inflation would be achieved "earlier than had previously seemed possible, and because of the firm, if not always too popular, stand we have taken on earnings, there is no doubt now that we will stay in single figures throughout the rest of the year."

He also highlighted what is likely to be one of the main themes of the White Paper later this month on the use of North Sea oil—the "very substantial gain to the balance of payments" from oil, of probably £8bn. (at 1977 prices) by the mid-1980s.

## Historical review

"... balance-of-payments gain should enable us to run the economy at a higher pace than has hitherto been possible, provided we are not thrown off course by a reacceleration of inflation or a further cutback in world demand affecting our ability to sell abroad."

In his speech Mr. Barnett discussed the various reasons for the poor industrial performance of the economy in the past 100 years, and questioned how much could be attributed to high taxation.

But he noted that "tax burdens are too high to be healthy at all levels of income, and should be reduced."

**Budget live on radio, Page 11**

# Pay breach check on offers of bonuses

By Christian Tyler, Labour Editor

*BONUSES OFFERED* by two large accountancy firms to their employees are being investigated by the Department of Employment for possible breach of the incomes policy.

Last night one of the two, Price Waterhouse, blamed breaches of the guidelines by smaller accountancy firms and by other City and industrial companies for its dilemma.

A partner said that the bonuses —designed to keep staff through the busiest season—were a reaction to an unusual rate of staff departures to other firms. "Smaller companies who do not have to stand up to the spotlight and do not have Government contracts can pay what they please," he said.

Many of Price Waterhouse's 800 staff have been told that if they will agree to stay until June 30 they will get at the end of this month a once-only bonus worth 5 per cent. of salary. This could range up to £300 a head.

## Details

The other firm, Peat Marwick and Mitchell, said its bonuses were being offered only to staff in the Birmingham office. It would give no details of its scheme, but said that if the Department needed to be given the information, it would be provided.

Both firms said they considered the payments to be within the guidelines.

Another City company, the Sun Alliance and London insurance group, is challenging a Government threat to cut some of its premiums because it put its staff pension scheme on to a non-contributory basis. The company maintains that its move falls within the exemption for pensions schemes written into the pay policy.

# Computerised income tax nearer

BY JOHN LLOYD AND IVOR OWEN

THE long-standing proposals to computerise the income tax system received a boost yesterday with a statement by a Treasury Minister that automation of the main pay as you earn processes was desirable.

Mr. Robert Sheldon, Financial Secretary to the Treasury, told the Commons that studies made following the 1971 decision not to concentrate PAYE work in nine large computer centres had confirmed the desirability of computerisation of the more numerous, smaller offices across the country.

The Inland Revenue hailed the announcement as "an important step in the Department's efforts to harness computers to its main work processes."

The announcement followed last week's Inland Revenue annual report which said that computerisation of the tax system was essential to its future efficiency.

The Department is now engaged in a full study of a computer system, with the aim of producing an implementation plan at the end of 1979 and an operational stystem from the mid 1980s onward.

There has already been a preliminary inquiry into the feasibility of introducing a national system, linking staff in local offices to regional computers through the use of visual display units.

The Board's report stressed that computerisation was an "essential preliminary" to radical changes in the tax structure and the way in which taxes are collected. It suggested that a system of self-assessment, which would reduce the burden of work on employers and on the Inland Revenue Department itself, would be possible with computers.

The Treasury yesterday stressed that its recognition of the need to automate PAYE did not necessarily imply support for self-assessment. The system's earliest operating date of 1985 precluded any possibility of determining what tax system would then be in use.

The Inland Revenue employs about 85,000 people in the collection of PAYE. The Board's report said that this manually operated system had been "tested to its operational limit" last year, and would break down if loaded further.

Continued from Page 1

# Gas price frozen

**perhaps four times last year's record £31.5m.**

**Electricity prices can be expected to rise twice later this year. The Electricity Council should notify the Price Commission soon of its intention to put prices up by a national average of about 5 per cent. on April 1.**

**This will be a rise in the basic tariff, but prices are likely to rise again later in the year when the effects of higher coal prices are felt. This should start to show up in quarterly bills from July, with a further rise of some 3 per cent. in the form of a fuel cost adjustment.**

**Coal prices for industrial and power station use will rise on March 1, but domestic coal will be held at its present levels over the summer—as is customary—to allow domestic consumers to stock up.**

**The NCB is to add an extra month to the summer buying period, raising prices on November 1 rather than October 1 as in previous years.**

**The price of coal varies throughout the country, depending on region and quality. Power station coal, coking coal and industrial coal are all subject to contract prices which have still to be determined.**

**Domestic coal ranges from £36 a tonne in Nottinghamshire, £37 in Tyneside and Yorkshire, £40 in Manchester, £44 in Scotland and South Wales, and £50 in South London. The 10 per cent. price rise will bring the cheapest *domestic coal up to around £40* a tonne.**

**Under EEC rules, the Coal Board does not have to notify the Price Commission of a price rise. However, the Central Electricity Generating Board, the NCB's largest customer, is pleased that the price rise will be comparatively low, and that wage inflation—estimated at around 6 per cent.—has been kept down.**

**The CEGB has given assurances that the level of coal to be bought from the NCB for the year 1977-78 would be raised from the previous level of 69m. tonnes to 73 or 74m. tonnes, because extra coal would be available.**

# Weather

**U.K. TO-DAY**

VERY COLD with persistent frost, becoming moderate or severe overnight. Sunny intervals in eastern and western areas.

**London, S.E., E. Anglia, Channel Is., East, Cent. northern and N.E. England:**

Snow showers, prolonged and heavy in places. Max. 0C (32F).

**Cent. southern, S.W., N.W. England, Midlands, N. and S. Wales, Lake Dist., Isle of Man:**

Snow showers, sunny intervals. Max.: 0C (32F).

**Borders, Edinburgh, Dundee, Aberdeen, Central Highlands, *Moray Firth,* N.E. *Scotland,* Orkney, Shetland:**

Snow showers, prolonged and heavy in places. Max.: 1C (34F).

**S.W. and N.W. Scotland, Glasgow, Argyll, N. Ireland:**

Snow showers, sunny intervals. Max.: 1C (34F).

**Outlook:** Little change.

BUSINESS CENTRES

| | Y'day mid-day | °C | °F | | Y'day mid-day | °C | °F |
|---|---|---|---|---|---|---|---|
| Amsdm. | F | −3 | 27 | Luxemb's | C | −4 | 25 |
| Athens | S | 12 | 54 | Madrid | R | 4 | 39 |
| Bahrain | C | 20 | 68 | Manchestr. | S | 0 | 32 |
| Barcelona | R | 6 | 43 | Melbourne | S | 23 | 74 |
| Beirut | C | 16 | 61 | Mexico C. | S | 20 | 68 |
| Belfast | S | 0 | 32 | Milan | Sn | −1 | 30 |
| Belgrade | F | 0 | 32 | Montreal | S | −8 | 17 |
| Berlin | F | −4 | 25 | Moscow | C | −4 | 25 |
| Brmghm. | F | −1 | 30 | Munich | C | −6 | 21 |
| *Bristol* | F | −1 | 30 | *Newcastle* | Sn | −1 | 30 |
| Brussels | C | −3 | 27 | New York | S | −4 | 25 |
| Budapest | C | −2 | 28 | Oslo | S | −12 | 10 |
| B. Aires | S | 27 | 81 | Paris | C | −2 | 28 |
| Cairo | S | 18 | 64 | Perth | S | 26 | 79 |
| Cardiff | F | 1 | 34 | Prague | Sn | −5 | 23 |
| Chicago | S | −5 | 23 | Reykjavik | S | −2 | 28 |
| Cologne | F | −2 | 28 | Rio de J'o | C | 31 | 88 |
| Copnhagn. | Sn | −3 | 27 | Rome | C | 14 | 57 |
| Dublin | S | 2 | 36 | Singapore | S | 29 | 85 |
| Edinburgh | S | −1 | 30 | Stockholm | S | −6 | 21 |
| Frankfurt | F | −1 | 30 | Strasbrg. | S | −2 | 28 |
| Geneva | C | −1 | 30 | Sydney | C | 24 | 75 |
| Glasgow | S | 3 | 37 | Tokyo | C | 7 | 45 |
| Helsinki | Sn | −12 | 10 | Toronto | S | −9 | 17 |
| H. Kong. | S | 23 | 73 | Vienna | F | −3 | 27 |
| Jo'burg | C | 23 | 74 | Warsaw | S | −8 | 18 |
| Lisbon | F | 15 | 59 | Zurich | F | −4 | 25 |
| London | F | −1 | 30 | | | | |

HOLIDAY RESORTS

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Ajaccio | C | 16 | 61 | Jersey | Sn | −1 | 30 |
| Algiers | C | 16 | 61 | Las Plms. | F | 23 | 73 |
| Biarritz | R | 2 | 36 | Locarno | Sn | 1 | 34 |
| Blackpool | F | 2 | 36 | Majorca | F | 12 | 54 |
| Bordeaux | C | 0 | 32 | Malaga | S | 12 | 54 |
| Boulogne | C | −2 | 28 | Malta | F | 17 | 63 |
| Casablnca. | C | 15 | 59 | Nairobi | S | 24 | 75 |
| Cape Town | S | 22 | 72 | Naples | C | 13 | 55 |
| Corfu | F | 13 | 55 | Nice | R | 5 | 41 |
| Dubrovnik | F | 9 | 48 | Nicosia | F | 15 | 59 |
| Faro | F | 12 | 54 | Oporto | S | 8 | 46 |
| Florence | R | 8 | 46 | Rhodes | S | 14 | 57 |
| Funchal | R | 14 | 57 | Salzburg | C | −5 | 23 |
| Gibraltar | F | 11 | 52 | Tangier | C | 12 | 54 |
| Guernsey | C | −1 | 30 | Tenerife | F | 16 | 61 |
| Innsbruck | F | −1 | 30 | Tunis | C | 15 | 59 |
| Inverness | C | 0 | 32 | Valencia | C | 10 | 50 |
| Isle of Man | S | 3 | 37 | Venice | C | 0 | 32 |

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sn—Snow.



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